

# STATE OF MAINE PUBLIC UTILITIES COMMISSION



## 2022 Annual Report

February 1, 2023

# Maine Public Utilities Commission

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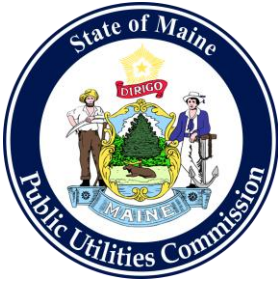
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## Commissioners

**Philip L. Bartlett II**  
Chair

**Randall D. Davis**  
Commissioner

**Patrick J. Scully**  
Commissioner

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## Commissioners' Letter

This report provides an overview of the work conducted by the Maine Public Utilities Commission (Commission) in 2022 administering the laws concerning public utilities in Maine.

The Commission's caseload and legislative requirements created significant challenges in 2022. The Commission addressed these challenges with exceptional work by our staff coupled with support from several consulting firms.

The Executive Summary of the report is detailed on page 2 and highlights the more noteworthy cases and activities that occurred during calendar year 2022, but we would like to highlight two items in this letter.

First, the Commission announced in October that, through the persistent efforts of staff who carefully scrutinize numbering requests, Maine's 207 area code exhaust date has been extended from 2025 to 2027. In fact, the Federal Communications Commission has indicated that Maine is leading the nation in this area and has relayed many of our techniques to preserve area codes to other states.

Second, in response to economic challenges related to inflation, the Commission approved amendments to its Low-income Assistance Program that will provide lasting relief for utility customers most in need by more than doubling the number of customers who are eligible from 24,000 to about 50,000. This increases funding for the program from \$7.8 million to \$15 million. In addition, the Commission created a webpage ([www.MaineElectricHelp.com](http://www.MaineElectricHelp.com)) that provides a comprehensive list of all financial assistance programs and launched a public service announcement campaign that encourages Mainers to take advantage of these programs.

In all aspects of its work, the Commission's dedicated staff continues to exercise its regulatory and public policy responsibilities diligently to ensure that utility services for Maine consumers are provided at rates that are just and reasonable and consistent with good utility practice. We look forward to working with the Legislature this year on utility issues.

With regards,

*Philip L. Bartlett II*  
Chair

*Randall D. Davis*  
Commissioner

*Patrick J. Scully*  
Commissioner

## 2. EXECUTIVE SUMMARY

This section highlights some of the more noteworthy cases and activities in 2022.

Topic	Description
Northern Maine Renewable Energy Development Program	The Commission conducted a bidding process in accordance with The Northern Maine Renewable Energy Development Program established by P.L. 2021, Chapter 380. In October, the Commission announced the results of its evaluation selecting LS Power for its transmission project at a cost of \$2.78 billion and Longroad Energy's King Pine 1,000 MW wind generation project. Together, the net cost of the two projects is a projected \$1.7 billion over a 30-year period.
Standard Offer Electricity Prices	Standard offer electricity supply prices increased significantly again this year due to the cost of natural gas used for generation. The bids were received in response to the Commission's annual standard offer RFP for electricity supply. While Maine prices are the lowest in New England, CMP residential and small business consumers will see an additional increase beginning in January 2023 averaging about \$32 a month and Versant customers will see an increase averaging about \$19 a month.
CMP and Versant Proposed Rate Increases	On August 11, 2022, Central Maine Power Company (CMP) filed a distribution rate case, seeking a 21% increase in year 1, a 12% increase in year 2 and 11% increase in year 3. On October 3, 2022, Versant Power (Versant) filed a distribution rate case seeking approval of an increase of approximately 31.47% from current rates. Commission staff have conducted a bench analysis in each case and Public Witness hearings will be held this spring. The Commission will evaluate these cases carefully and make final decisions by the summer of 2023.
207 Area Code	The Commission continued its aggressive approach to preserving Maine's 207 Area Code. In July the Commission opened an investigation into the growth numbering resources and number forecasting practices of T-Mobile USA, Omnipoint Miami, MetroPCS, Inc., and Sprint Spectrum L.P. The Commission remains vigilant in working closely with all telephone providers who request new blocks of numbers. Due to these efforts, the exhaust date for the 207 area code has been extended from 2025 to 2027 and we have been recognized by the Federal Communications Commission for our creative approach to preserving Maine's Area Code.
Gas Safety and Dig Safe	The Pipeline and Hazardous Materials Safety Administration (PHMSA) conducts annual evaluations of the pipeline safety programs for all states that have agency certification. PHMSA's evaluation of the Commission's pipeline safety program for calendar year 2021, resulted in a score of 98%. Maine's Damage Prevention Program received perfect scores from PHMSA from 2019-2022.

Topic	Description
Summit Natural Gas Rate Case	Summit's March 2022 filing requested a year 1 increase of 30% and up to a 15% increase in years 2 through 7. In November, a Stipulation was signed by the OPA, Summit, Competitive Energy Services, the IECG, Huhtamaki and Backyard Farms. Given concerns expressed by Commission Staff as detailed in a Bench Memorandum, Oral Argument was heard on January 11, 2023. The Commission will decide the case over the next month.
Grid Modernization	The Commission continues its work to ensure that Maine's grid is prepared for distributed generation projects looking to interconnect as well as expected increased electrification of our heating and transportation sectors. Recognizing the urgency of this issue, the Commission initiated an investigation in Docket No. <a href="#">2021-00039</a> regarding the design and operation of Maine's electric distribution system. The Commission engaged a consultant and completed its work in July 2022. The Commission began work (Docket No. 2022-00290) on identifying priorities to be included by Maine's IOU's in future integrated resource plans which will likely be filed in 2025.
911 Crisis Protocols	On February 1, 2022, the Commission submitted a report to the Energy, Utilities and Technology (EUT) Committee outlining crisis response protocols and procedures including implementation recommendations. Based on this report, the Commission was directed to continue its work to complete the implementation. The Commission contracted with Mission Critical Partners to complete this work. In addition, the Commission will submit draft legislation that will provide for the integration of 911/988 in Maine. The Commission will submit this report and draft legislation next month.
Low-income Assistance Program	In May, the Commission amended its Low-income Assistance Program providing lasting relief for utility customers most in need by more than doubling the number of customers who are eligible from 24,000 to about 50,000. The amended rules increase funding for the program from about \$7.8 million to \$15 million. The Commission also developed a comprehensive website ( <a href="http://www.MaineElectricHelp.com">www.MaineElectricHelp.com</a> ) which provides a full list of assistance programs.
Rate Design to Promote Climate Change	In September, the Commission approved two stipulations to promote electric rate design to help address State climate change policy. The approved stipulations allow for the implementation of several new optional electric rates for residential, commercial, and large class customers for electric vehicles, energy storage technologies and heat pumps, including those used for space and water heating. The new electric rate options not only support the adoption of green technologies in all customer classes, but they could also mean real savings for those using heat pumps and heat pump hot water heaters. Those with electric vehicles and other technologies who can take advantage of off-peak usage can also see savings with time-of-use rates.

### 3. ORGANIZATION OVERVIEW

The Commission regulates electric, gas, telephone, and water utilities to ensure that Maine citizens have access to safe and reliable utility services at rates that are just and reasonable for residential and business consumers and public utilities, while also helping achieve reductions in state greenhouse gas emissions.

The Commission, created by the Maine Legislature in 1913, has broad powers to regulate public utilities in Maine including electricity, telephone, water, and gas providers. The Commission also responds to customer questions and complaints, grants utility operating authority, regulates utility service standards and monitors utility operations for safety and reliability, and has authority over rates and service of ferry transportation in Casco Bay.

Like a court, the Commission adjudicates cases and may take testimony, subpoena witnesses and records, issue decisions or orders, and holds public and evidentiary hearings. The Commission encourages participation by all affected parties, including utility customers. The Commission also conducts investigations and rulemakings, investigates allegations of illegal utility activity, and responds to legislative directives.

The three full-time Commissioners are nominated by the Governor, reviewed by the Legislature's Joint Standing Committee on Energy, Utilities and Technology, and confirmed by the full Senate, for staggered terms of six years. The Governor designates one Commissioner as Chair. The Commissioners make all final Commission decisions by public vote and action of the majority.

The legislature authorized an additional three positions in the last legislative session, increasing the Commission's staff from 72.5 to 75.5. This includes accountants, engineers, lawyers, financial analysts, technical analysts, consumer specialists, administrative and support staff. The Commission is divided into six operating areas according to industry area or function.

**The Telephone and Water Division** and the **Electric and Gas Division** staff conduct technical and financial investigations and analyses of telephone, water, electric and gas utility operations, analyze applications by utilities to issue securities, advise the Commissioners on matters of rate base, revenues, expenses, depreciation, cost of capital, engineering, rate design, energy science, statistics and other technical elements of these utility areas. Staff also conduct various supply procurement processes, including standard offer electricity supply service.

**The Emergency Services Communication Bureau** manages the statewide Enhanced 911 system, including program development and implementation. The statewide 911 system is the component of the emergency response system that delivers 911 calls and displays the telephone number and physical location of the caller at one of Maine's 24 Public Safety Answering Points (PSAPs).

**The Consumer Assistance and Safety Division (CASD)** provides information and assistance to utility customers to help them resolve disputes with utilities. The CASD investigates a variety of complaints involving utility service, including quality of utility service, billing disputes, payment arrangements, rates or charges, disconnection, and utility repairs. The CASD also educates the public and utilities about consumer rights and responsibilities, evaluates utility compliance with state statutes and Commission rules, and oversees gas safety regulation and enforcement as well as underground facilities damage prevention.

**The Legal Division** provides hearing officers in cases before the Commission and assists in preparing and presenting Commission testimony on legislative proposals. This division represents the Commission before federal and state appellate and trial courts, and various regional and federal administrative and regulatory agencies.

**The Administrative Division** handles day-to-day operational management of the Commission, with responsibilities for fiscal and personnel matters, contract and docket management, legislative analysis, media and communications and the Commission's facilities. This division also oversees information technology including the Commission's Case Management and Consumer Complaint System.

### **Case Management**

The Commission handles an average of about 350 utility cases a year. In 2022 the Commission received more than 360 new cases including several major cases requiring significant staff time as well as consulting expertise. Many of these large cases were detailed in the Executive Summary.



## 4. TELECOMMUNICATIONS

The Commission regulates Provider of Last Resort (POLR) service, which is offered by Maine's incumbent local exchange carriers (ILECs) and provides consumers with the option of receiving basic telephone service at a flat rate within a basic calling area. POLR service also provides access to emergency services, operator services, long-distance service, directory assistance, and a toll limitation option for low-income customers.<sup>1</sup>

The 127th Maine Legislature enacted legislation in 2016 that removes the obligation to provide POLR service in 22 municipalities. The process to remove the obligation began in the summer of 2016 and was completed in 2018.<sup>2</sup> The Commission must include in its Annual Report, through 2022, information related to which municipalities have had the POLR obligation lifted, any municipalities where the Commission approved the discontinuance, reduction or impairment of service, and complaints the Commission may have received regarding the cost of or a lack of access to basic, reliable telephone service in those municipalities.

The Commission also has jurisdiction over the enforcement of certain provisions of Federal telecommunications statutes related to wholesale telephone services and the interactions between competitive providers of telecommunications services. The Commission has the authority to certify competitive local exchange carriers (CLECs) that wish to operate in Maine but it does not regulate their service. The Commission has no regulatory authority over wireless (*i.e.*, cellular), VoIP voice services, or Internet/Broadband service.

The telecommunications industry in Maine is impacted by increasing competition and other factors, resulting in the reduction of ILEC access lines and POLR service subscribers. There has been a noticeable reduction of POLR service subscribers in recent years and only about 10% of ILEC customers opt for POLR service. If a POLR customer adds an advanced service such as voice mail or a broadband bundle, they are no longer considered a POLR customer.

Consumers can obtain long distance service from a variety of sources, including VoIP technology offered by cable television providers, mobile wireless service, and cable for traditional wireline service.

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<sup>1</sup> POLR service provides access to these services, but any other charges, *e.g.* long-distance charges, are not included in the flat rate.

<sup>2</sup> The 22 municipalities are: Portland, Lewiston, Bangor, South Portland, Auburn, Biddeford, Sanford, Scarborough, Gorham, Waterville, Kennebunk, Cape Elizabeth, Old Orchard Beach, Yarmouth, Bath, Westbrook, Freeport, Brewer, Kittery, Windham, Brunswick, and Augusta.

Table 1 shows historical data for both ILEC access lines and POLR service customers.

Telephone Company	ILEC Data					POLR Data				
	2008 Access Lines	2020 Access Lines	2021 Access Lines	Change 2020- 2021	Change 2008- 2021	2014	2020	2021	Change 2020- 2021	Change 2014- 2021
Consolidated Communications of Maine Company	47,914	15,406	13,731	-11%	-17%	5,354	2,215	1,934	-11%	-21%
Consolidated Communications	411,345	111,925	101,222	-10%	-75%	24,488	6,093	5,385	-12%	-78%
UniTel Co.	4,386	2,855	2,653	-7%	-40%	428	203	183	-10%	-57%
Union River	1,260	1,161	1,239	7%	-2%	1,048	1,159	1,237	7%	18%
Cobboosecontee Tel & Tel Co.	645	216	202	-6%	-69%	77	36	36	0%	-53%
Hampden Telephone Co.	2,857	1,338	1,110	-17%	-61%	314	164	146	-11%	-54%
Hartland & St. Albans Telephone Co.	3,659	2,071	1,973	-5%	-46%	441	230	210	-9%	-52%
Island Telephone Co.	620	531	547	3%	-12%	209	150	136	-9%	-35%
Somerset Telephone Co.	10,509	7,020	6,755	-4%	-36%	1,586	1,000	927	-7%	-42%
Warren Telephone Co.	1,528	581	493	-15%	-68%	184	77	84	9%	-54%
West Penobscot Telephone Co.	2,207	1,638	1,627	-1%	-26%	282	169	160	-5%	-43%
Lincolville Networks	1,794	1,561	1,623	4%	-10%	154	130	114	-12%	-26%
Tidewater Telecom	10,261	6,025	6,012	0%	-41%	1,070	588	521	-11%	-51%
Mid-Maine Communications	5,228	1,627	1,523	-6%	-71%	1,343	254	14	-94%	-99%
Pine Tree Tel & Tel Co.	5,373	1,346	1,253	-7%	-77%	1,802	487	54	-89%	-97%
Saco River Tel. & Tel Co.	7,079	1,992	1,846	-7%	-74%	1,723	521	31	-94%	-98%
Oxford West Telephone Co.	6,373	2,432	2,259	-7%	-65%	4,348	2,350	2,186	-7%	-50%
Oxford Telephone Co.	5,595	1,881	1,764	-6%	-68%	3,666	1,864	1,749	-6%	-52%
<b>Total Retail Lines</b>	<b>528,633</b>	<b>161,606</b>	<b>147,832</b>	<b>-9%</b>	<b>-72%</b>	<b>48,517</b>	<b>17,690</b>	<b>15,107</b>	<b>-15%</b>	<b>-69%</b>

\*Consolidated Communications of Maine Company includes the former Consolidated ILECs: China Telephone, Northland Telephone Co., Community Service Telephone Co., Sidney Telephone Co. Maine Telephone Co., and Standish Telephone Co.

## **KEY EVENTS**

### **207 Area Code Exhaustion**

In 2022, Commission staff continued their efforts to preserve Maine's single 207 Area code, which resulted in the predicted exhaust date being extended another 15 months until the first quarter of 2027. The previous exhaust date predicted by the North American Numbering Plan Administrator (NANPA) was the fourth quarter of 2025.

Additional efforts to preserve the area code include:

- Facilitating the donation of number resources by one provider to another, limiting the number of new blocks of 10,000 codes that are opened;
- Working with service providers to return blocks of unused numbers in 1,000 number increments through docket # 2020-00192;
- Participating in a Numbering Administration Oversight Working Group (NAOWG) appointed by the Federal Communications Commission (FCC) to assist the North American Numbering Council with its oversight of the North American Numbering Plan Administrator (NANPA);
- Commission initiated investigations into numbering practices of T-Mobile and Verizon Wireless.

Commission staff will continue to pursue options for further extending Maine's single area code which could not only significantly extend the life but also serve as a model for other states facing similar area code exhaustion circumstances.

### **T-Mobile Investigation**

In July 2022, the Commission opened an investigation into the growth numbering resources and number forecasting practices of T-Mobile.

Commission Staff have been closely monitoring the numbering forecasts of all providers utilizing Maine's numbering resources to determine whether number forecasts are adequately matching market demand or if a less aggressive approach may be used in the forecasting process.

Based on a review of number resource requests from T-Mobile from January 2021 through April 2022, the Commission had reason to question the Company's forecasting process for numbering resources and the rate at which old numbers are returned to the system as part of the "aging" process.

The investigation directed T-Mobile to provide the Commission with detailed information including an explanation of how the company forecasts growth in Maine, the utilization percentage of numbers used in the areas it serves, and an explanation of why the company is using a high number of special numbering categories that may unnecessarily increase the need for more numbers to be pulled from the 207-numbering pool.

Based on the Company's cooperation with the investigation, information provided to the Commission, the Company's recognition and correction of its growth forecasting, and its continued willingness to engage with the Commission and its staff in efforts to preserve the 207 area code, the Commission closed the investigation on January 10, 2023.

### **Amendments to Chapter 880 Rules Regarding Pole Attachments**

In October 2021, the Commission opened an Inquiry into possible amendments to its Chapter 880 Rules regarding attachments to joint use utility poles. Specifically, the Commission sought input regarding which entity or entities should bear the costs associated with the replacement of utility poles, whether and how the Commission should proceed with implementing a pole attachment database in Maine, administration of utility poles in Maine, and ownership of utility poles in Maine. A joint-use software system is currently under consideration and the Commission sought comments from utilities in September 2022. A decision in the case is expected early in 2023.

### **Maine Telecommunications Education Access Fund (MTEAF)**

The Commission administers the MTEAF, which provides funding that allows Networkmaine (an entity within the University of Maine System) to operate the Maine School and Library Network (MSLN). The MSLN provides qualified schools and libraries in the State high-speed Internet access, content databases, search capabilities, content filtering, and training. The MTEAF collects funds from voice network service providers operating in the State. In 2022, the Commission approved an amendment to the fiscal year 2021/22 MTEAF budget in the amount of \$600,000 and \$3.77 million for the MTEAF 2022/23 fiscal year budget.

### **Maine Universal Service Fund**

Pursuant to 35-A M.R.S. §7104 and Chapter 288, the Commission administers the Maine Universal Service Fund (MUSF), which supports universal service and reasonable rates. The MUSF distributes approximately \$7.4 million annually to ensure that POLR service is available in all areas of the State at reasonable rates by providing support from the MUSF to eligible providers.

The MUSF also provides support for the Telecommunications Relay Services (TRS), Communications Equipment Fund (CEF), Blind and Visually Impaired News Access Fund, and the Public Interest Payphone (PIP) program.

TRS allows deaf, hard-of-hearing and speech impaired persons to place and receive voice telephone calls with the assistance of a third-party intermediary. The Commission, by statute, must establish funding support for these services, including related outreach programs, within the MUSF<sup>3</sup> to ensure the affordability of TRS throughout the State.

The TRS Advisory Council (Council) implements the Maine TRS program as certified by the FCC. The Council submits an annual budget of projected costs to the Commission, not to exceed \$600,000, and the Commission transfers the funds quarterly to the Council fund. In 2022, the Commission transferred \$365,896 from the MUSF to the Council as requested. The Council is also required to submit an annual report to the Commission by December 1.

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<sup>3</sup> 35-A M.R.S. § 7104(7)

Title 35-A M.R.S § 7104(5) requires the Commission to transfer \$85,000 annually from the MUSF to the CEF, which is administered by the Bureau of Rehabilitation Services within the Department of Labor (the Bureau). The CEF is used by the Division of Deaf, Hard of Hearing and Late Deafened within the Bureau to purchase, lease, distribute, upgrade, install, maintain, repair, administer, and train on the use of specialized customer communications equipment for deaf, hard of hearing, late deafened or speech impaired persons and persons with disabilities. In addition, the Bureau has requested and received an additional \$100,000 for the last 12 years for the CEF because it did not receive adequate funds from federal or other sources.

In 2019, the Maine Legislature established the Blind and Visually Impaired News Access Fund pursuant to 35-A M.R.S. §7104(9) within the Maine State Library for access to a news service provided by a national federation for blind and visually impaired persons. The Commission is required to annually transfer \$40,000 from the MUSF for this program.

The Commission oversees the installation of Public Interest Payphone (PIP) sites across Maine. There was one new request for a PIP in Jackman, Maine in 2022 and no requests to remove an underutilized PIP. The annual cost of the program, which currently includes 33 PIPs, is approximately \$28,000 and is funded by the Maine Universal Service Fund (MUSF).<sup>4</sup>

### **Lifeline**

The federal Lifeline program provides a monthly benefit to reduce or eliminate the cost of a monthly phone or Internet bill for those who qualify. One benefit is available per household and may be applied to either phone or Internet service. To participate, consumers must have an income at or below 135% of the federal poverty guidelines, or must participate in a qualifying state, federal or tribal assistance program.

### **Telephone Exemptions**

In accordance with statutory changes enacted by the 125<sup>th</sup> Maine Legislature, the Commission may grant exemptions from certain portions of Title 35-A to POLR service providers. The Commission received no requests for exemptions from POLR service providers in 2022.<sup>5</sup>

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<sup>4</sup> The Commission is required to report on this information pursuant to 35-A M.R.S. § 7508(4).

<sup>5</sup> The Commission is required to report on this information pursuant to 35-A M.R.S. § 120(5).

## 5. ELECTRIC

In addition to reporting on the electric industry, this section includes the Commission's Reports on Electric Restructuring required pursuant to 35-A M.R.S. § 3217, Electric Incentive Ratemaking required pursuant to 35-A M.R.S. § 3195(5) and Smart Grid Infrastructure pursuant to 35-A M.R.S. § 3143.

### **THE ELECTRIC INDUSTRY IN MAINE**

There are two components of electricity service in Maine: **delivery** and **supply**. Delivery includes transmission, distribution, and customer-related items such as metering and billing. Delivery encompasses high-voltage transmission and lower-voltage distribution systems, including the construction, operation, and maintenance of those facilities. Delivery is considered a monopoly service and is fully regulated by the Commission.

Supply includes the production and provision of electric energy and capacity. Supply is not considered a monopoly service and is provided by various entities operating in regional and state wholesale and retail markets with less regulation and oversight.

There are approximately 268 licensed Competitive Electricity Providers (CEPs) that supply about 46% of Maine's retail electricity. The remaining usage is supplied by the suppliers selected by the Commission to provide default or "standard offer" service.

Transmission and Distribution (T&D) rates have three components: **transmission**, **distribution**, and **stranded costs**.

Transmission rates cover the cost of constructing and operating the transmission system in Maine, as well as costs allocated to Maine for regional pool transmission facilities (PTF), which are the high voltage transmission lines that serve as the backbone of the New England system. Transmission rates are regulated by the Federal Energy Regulatory Commission (FERC) and have increased significantly over the last 10 years for both CMP and Versant. For CMP and Versant's Bangor-Hydro District, these increases are due largely to major transmission system upgrades throughout New England. Under the ISO-NE tariff, costs of PTF projects in New England are shared among all New England states in proportion to load, so that Maine customers pay 8%-9% of the cost of regional PTF projects regardless of where they are physically located. As a result of recent changes to the regional transmission tariff, beginning in 2023, CMP's and Versant Bangor Hydro District's transmission rates change on January 1 each year instead of July 1. Versant Maine Public District is not affected by the regional tariff change and will continue to change on July 1.

Distribution rates cover costs incurred by the T&D utility to construct and operate the local distribution system, as well as costs for customer-related activities such as metering and billing. Stranded costs include the few remaining net above-market costs for generation obligations that utilities incurred prior to industry restructuring, including expenses associated with prior nuclear power arrangements.

Stranded costs also include more recent net costs from newer contracts authorized pursuant to specific statutory provisions, such as the Long-term Contracting Statute (35-A M.R.S. § 3210-C), the Community-based Renewable Energy Pilot Program statute (35-A M.R.S. § 3601-3609), the Renewable Portfolio Standard statute (35-A M.R.S. § 3210-G), and Net Energy Billing Program costs. Stranded costs for CMP and Versant residential customers are currently modest, ranging from a negative \$0.2 per kWh to \$0.1 per kWh.

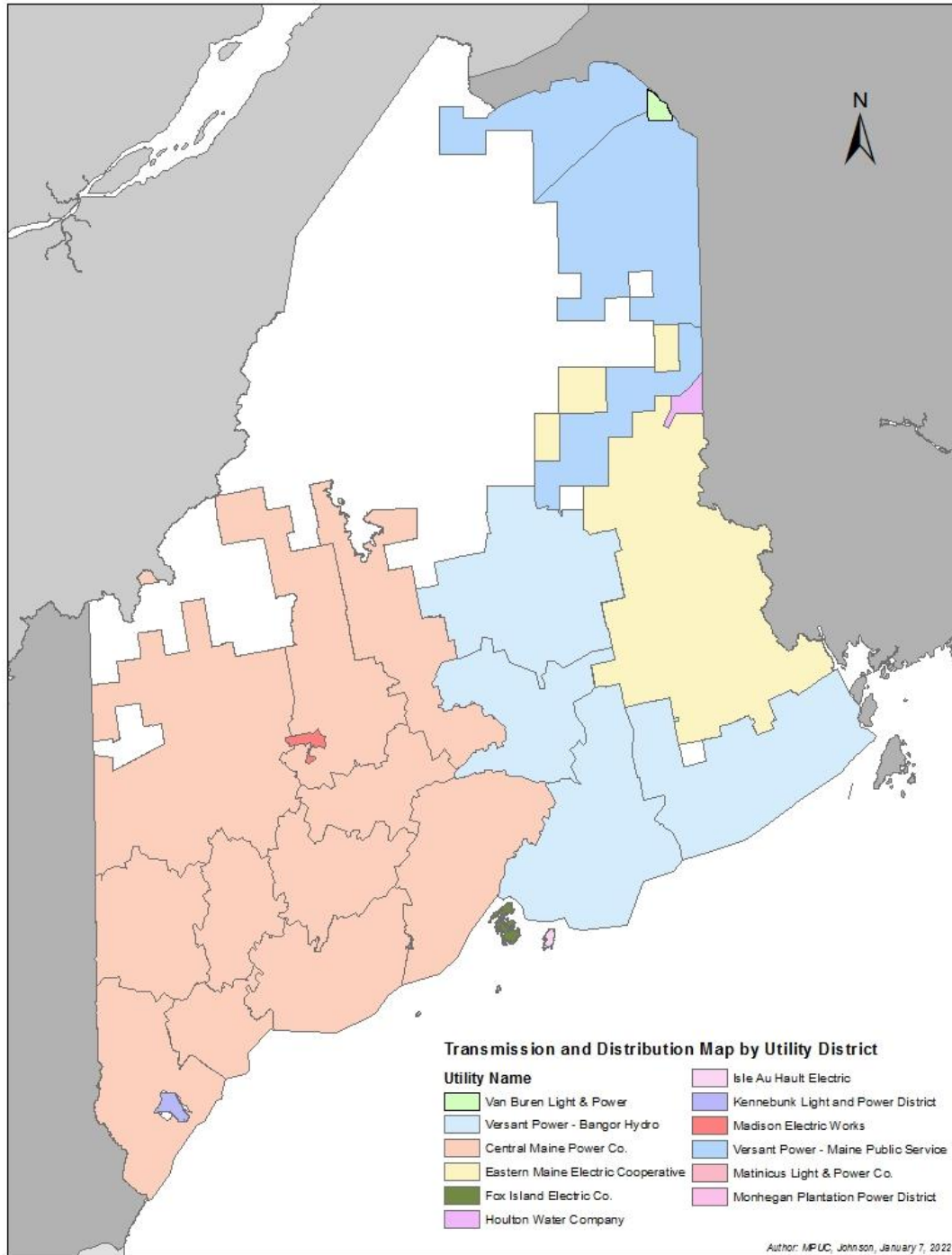
Most of Maine is part of the regional bulk power and wholesale market systems that are operated and administered by the New England Independent System Operator (ISO-NE). The exception to this is northern Maine, which is not directly interconnected with the ISO-NE system. Northern Maine is interconnected to the New Brunswick Power system, and has its own system administrator, the Northern Maine Independent System Administrator (NMISA).

Electricity use by Maine consumers is currently about 12 million megawatt hours (MWh) per year, with a peak demand of about 2,000 MW. The total nameplate generation capacity of in-state plants is in the range of 5,225 MW. These plants operate in response to the ISO New England's dispatch instructions which at times may require them to operate at full output and at other times, to not operate at all.

The Commission regulates the operations and distribution rates of the Maine T&D utilities, except for transmission rates, which are regulated by the FERC. The Commission licenses retail electricity suppliers and marketers, and generally oversees the Maine retail market. The Commission also administers competitive procurement processes for standard offer service and administers other power supply procurement processes pursuant to specific statutory direction and authority. Finally, the Commission monitors regional wholesale markets and bulk power and transmission systems, including the ISO-NE and NMISA systems, and advocates for Maine consumers in regional forums and before the FERC.

There are 11 T&D utilities in Maine: two investor-owned utilities (IOUs) and nine consumer-owned utilities (COUs). The IOUs, CMP and Versant Power, serve about 95% of the total state load. Figure 1 below shows the geographic areas each utility serves.

**Figure 1 – T&D Service Areas**





## **MARKET TRENDS AND CONSUMER PRICES**

### **Wholesale Electricity Market**

Wholesale electricity market costs to Maine consumers for the period December 2021 to November 2022 were \$1,067,263,891. This is approximately a 77% increase from the \$603,233,815 market costs the year prior. Between the two periods, wholesale energy costs increased 86% and capacity costs increased by 29%. The increased electricity costs were driven by the highest natural gas costs the region has experienced since 2014.

### **Retail Supply Prices and Standard Offer Procurement**

In 2022, the Commission accepted bids and set new Standard Offer electricity supply rates for residential and business customers of CMP and Versant Power effective January 1, 2023. Residential customers of CMP who receive standard offer service will see an increase of about \$32 a month, residential customers of Versant Power, Bangor Hydro District will see an increase of about \$24 a month, and for Versant's Maine Public District, about \$19.

The new Standard Offer supply rates were set through a competitive bid process conducted by the Commission, as required by Maine law. The increases reflect prevailing energy market conditions, including those in the regional electric power market in which prices are strongly influenced by natural gas as noted above. Maine's supply prices are lower than other New England states, as shown in table 2 below.

**Table 2: State and Regional Summary of IOU Fixed Residential Supply Rates**

<b>State</b>	<b>Average Price</b>	<b>Lowest Price</b>	<b>Highest Price</b>
Maine	16.316	14.879	17.631
Rhode Island	17.785*		
Vermont	18.035*		
New Hampshire	22.209	19.633	25.925
Connecticut	23.056	21.940	24.172
Massachusetts	24.816	17.859	33.891
New England	21.198	14.879	33.891

**\*Note: Rhode Island and Vermont have only one investor-owned utility and therefore the average price is the price of that single utility.**

These supply increases apply to customers who do not purchase electricity from a competitive supplier of their choosing and instead receive Standard Offer Electricity Supply by default.

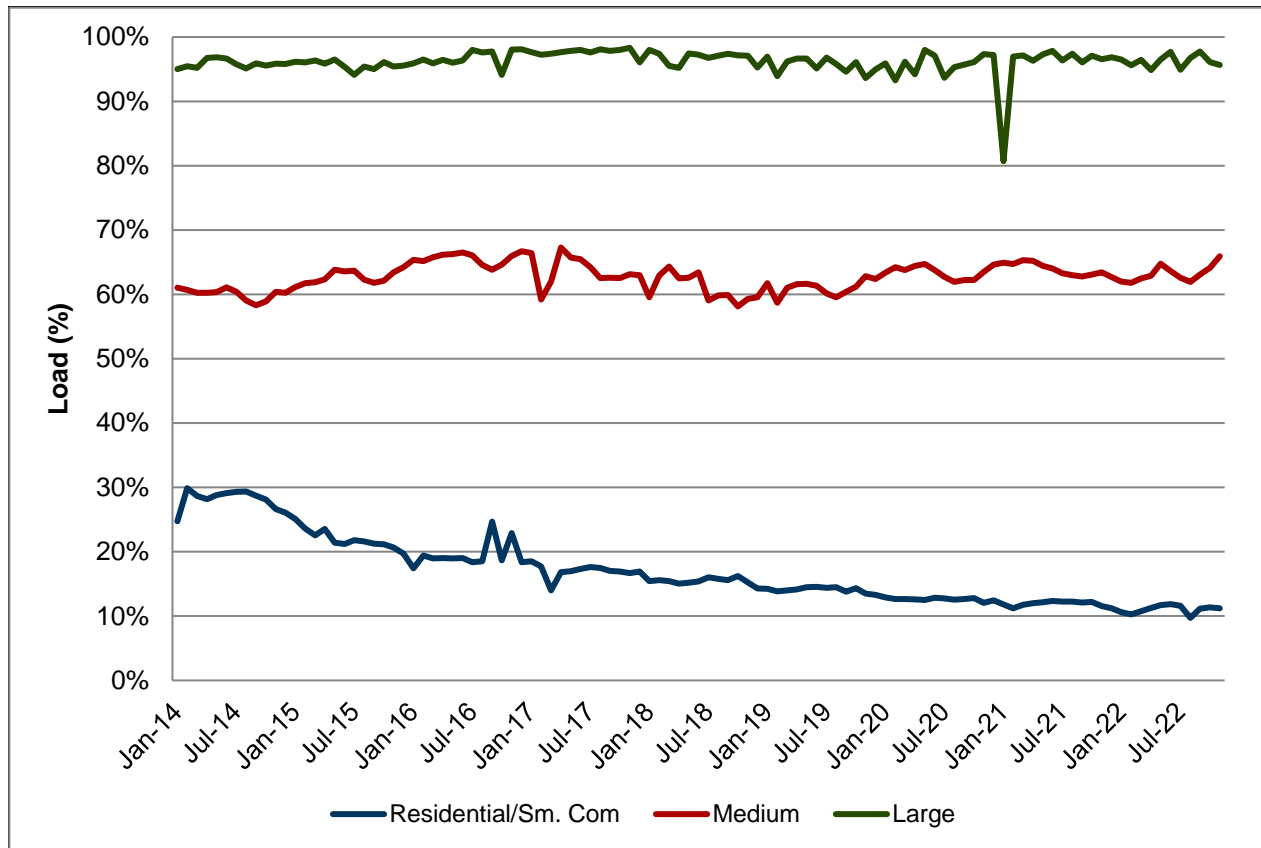
The new Standard Offer electricity supply rates reflect a similar trend experienced in other energy sectors as well.

### **Retail Supply Market Activity**

Since March 2000, consumers in Maine have had the option of selecting their electricity supply products and suppliers. For many years there was a robust market throughout most of Maine for medium and large commercial and industrial (C&I) customers, but virtually none for residential and small commercial customers. Beginning in 2012, however, the percentage of

residential and small commercial customers served by a CEP increased significantly, peaking at 35% in mid-2013. Since that time, the amount of residential and small commercial supply served by CEPs has declined gradually to its current level of about 11%. Chart 1 below shows the migration patterns by sector. In short, most large businesses use a CEP, while most residential and small business customers utilize standard offer for their electricity supply.

**Chart 1 – Load Served by Competitive Electric Providers, Jan. 2014 – July 2022**



In 2022 retail competition remained weak in northern Maine due to its electrical isolation from a functional wholesale market. This isolation has hindered the retail market from developing in this part of the state since retail access began in 2000.

**Utility Delivery Service Rates**

Delivery service rates include distribution, transmission, stranded cost, and Efficiency Maine Trust assessment components. Current retail rates for Maine residential consumers for all electric utilities in Maine are summarized in Table 3 below.

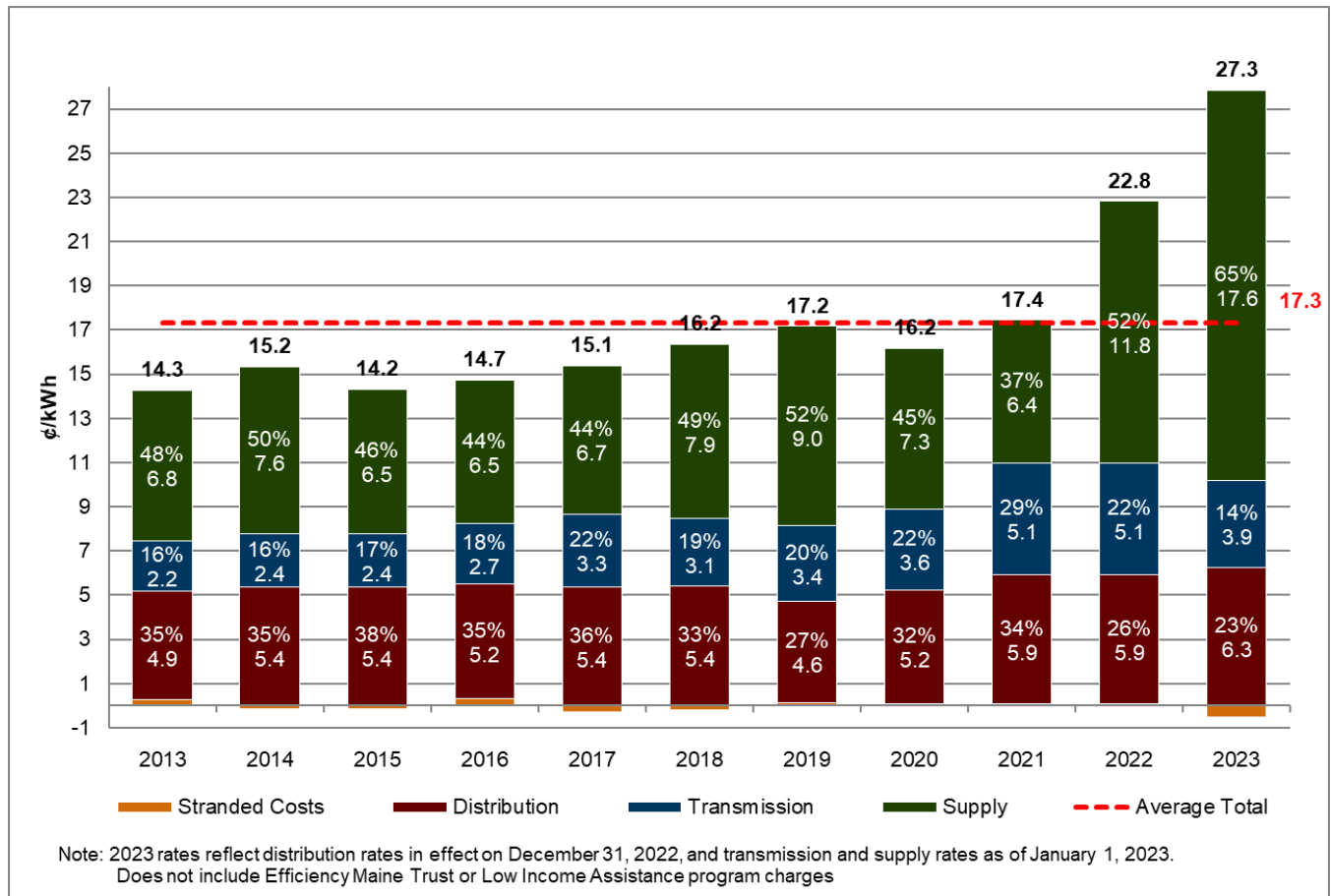
**Table 3 – Residential Electricity Rates**

<b>RESIDENTIAL ELECTRICITY RATES IN MAINE<sup>1</sup></b>							
	% of State Residential Load	kWh	Delivery Rate			Standard Offer Rate ¢/kWh	Total Rate ¢/kWh
			T&D ¢/kWh	Stranded Cost ¢/kWh	Total Delivery ¢/kWh		
<b>INVESTOR-OWNED UTILITIES</b>							
Central Maine Power	81.6%	4,053,651,315	9.0	-0.2	8.8	11.8	20.6 ¢/kWh
Versant Power - BHD	12.9%	639,905,091	12.1	-0.8	11.3	11.7	23.0 ¢/kWh
Versant Power - MPD	3.9%	194,466,683	10.0	-0.5	9.5	11.1	20.6 ¢/kWh
<b>COOPERATIVES &amp; MUNICIPAL-OWNED UTILITIES</b>							
Eastern Maine Electric Cooperative	1.2%	60,364,172	10.8	N/A	10.8	5.9	16.7 ¢/kWh
Houlton	0.7%	32,476,052	5.0	N/A	5.0	6.6	11.6 ¢/kWh
Van Buren	0.2%	7,743,352	5.7	N/A	5.7	6.2	11.9 ¢/kWh
Kennebunk Light & Power	1.1%	54,353,402	2.8	N/A	2.8	10.0	12.8 ¢/kWh
Madison Electric Works	0.4%	19,130,590	7.6	N/A	7.6	7.7	15.3 ¢/kWh
Matinicus	0.0%	217,334	Exempt from Standard Offer requirements				49.2 ¢/kWh
Monhegan	0.0%	369,248	Exempt from Standard Offer requirements				75.2 ¢/kWh
Fox Island	0.1%	7,356,821	20.1	N/A	20.1	15.0	35.1 ¢/kWh
Isle au Haut	0.0%	182,040	19.4	N/A	19.4	31.5	50.8 ¢/kWh
<b>STATE AVERAGE</b>	<b>100.0%</b>	<b>5,070,216,100</b>					<b>20.7 ¢/kWh</b>

1. Central Maine Power, Versant Power - Bangor Hydro District and Versant Power - Maine Public District information based on residential rates in effect as of 12/2022. Consumer-owned utilities' information based on 2021 annual reports, page 50 (filed in 2022). Rate components not readily available for some consumer-owned utilities.

Chart 2 provides a year-by-year price comparison by component for CMP residential customers. Over the 11-year period, distribution rates have been relatively stable. Transmission rates have trended upward, although they have decreased somewhat since the peak in 2021. As noted above, the significant increases in 2022 and 2023 are due to the standard offer supply rate increasing significantly. The percentage figures are the proportion of the component as compared to the total price. For example, in 2023 the 17.6 cents/kWh electricity supply component represents 65% of the total price.

**Chart 2 – CMP Historical Prices by Component**



**MAJOR CASES, ISSUES AND PROCEEDINGS**

**CMP Distribution Rate Case**

In August 2022, Central Maine Power Company submitted a general rate case filing consistent with the provisions of Chapter 120 of the Commission’s Rules. In its filing CMP cites the need to build a smarter, stronger, and more resilient grid to serve its customers; advance Maine’s clean energy policy; and provide predictability over time in rates.

If approved, the increase would be implemented over a three-year period, and would amount to a total bill impact each month of \$5.03, \$2.78 and \$2.33 in each year, respectively, for the

average residential customer using 550 kWh per month of electricity. CMP is seeking an effective date of August 1, 2023. Public hearings are expected in the spring.

### **Versant Power Distribution Rate Case**

In October 2022, Versant Power submitted a general rate case filing consistent with the provisions of Chapter 120 of the Commission's Rules. In its filing, Versant requests an increase of \$33,490,358 to its distribution revenue requirement, necessitating a rate increase of approximately 31.47%.

Versant's cites needed investments in a new metering system for all customers, investments to improve the reliability of the electric grid, and investments in employees to ensure that Versant can continue to deliver a high level of service with its Maine-based workforce, among other things. Versant's rate request also reflects vendor price increases and general inflationary impacts to the cost of doing business. Versant is not seeking any increase in its allowed rate of return as part of this rate case.

Public hearings are expected in the spring. If approved, new distribution rates will go into effect in the summer of 2023 and would amount to about \$10.50 for an average residential customer using 500 kWh of electricity per month.

### **Service Quality Standards**

In July 2022, the Commission adopted amendments to the Electric Transmission and Distribution Utility Service Standards Rule (Ch. 320) which include substantial modifications to the existing rule intended to measure utility performance with respect to power outage frequency and duration, storm restoration, call-center responsiveness, billing errors and customer satisfaction as a means of motivating improvement in these critical areas. The amended rule also requires the utilities to report to customers and to the Commission concerning these performance metrics via a report card.

Central Maine Power Company (CMP) and Versant Power have existing performance metrics they must continue to meet in addition to the metrics outlined in this proceeding.

**New Rate Stipulations to Support Climate Change Initiatives** During its 2021 session, the Legislature enacted several laws relevant to utility rate designs to promote State policies. An Act To Advance Energy Storage in Maine. P.L. 2021, c. 298 (LD 528) (Chapter 298), directs the Commission, in Section 7, to investigate and, where appropriate, implement T&D utility rate designs that account for variation in the cost components of electricity as the load or demand on the electricity system fluctuates in conjunction with energy storage.

In September 2022, the Commission approved stipulations in a case (Docket # 2021-00325) to investigate Transmission and Distribution utility rate design to promote state climate change policy. The approved stipulations allow for the implementation of several new optional electric rates for residential, commercial, and large class customers for electric vehicles, energy storage technologies and heat pumps, including those used for space and water heating. Some of the approved rates are now in effect and additional new rates will be implemented in 2023.

### **Grid Planning Proceeding**

In September 2022, the Commission initiated an Inquiry to obtain input from stakeholders on the process to identify priorities to be addressed in a filing by investor-owned electric transmission and distribution utilities regarding a grid plan and how best to encourage participation, especially by those stakeholders that do not frequently participate in Commission proceedings. The inquiry was directed by the Legislature through An Act Regarding Utility Accountability and Grid Planning for Maine's Clean Energy Future, Public Law 2022, ch. 702 (Act).

The Commission will be conducting stakeholder workshops and will then issue an order directing the utilities to submit a filing to address the priorities identified in the proceeding. The utility has 18 months from the date the order is issued by the Commission to submit a filing that addresses the identified priorities as well as additional components required by the Act.

### **Northern Maine Renewable Energy and Transmission Project RFP**

During its 2021 session, the Legislature enacted an Act To Require Prompt and Effective Use of the Renewable Energy Resources of Northern Maine, P.L. 2021, Chapter 380 (Act). The purpose of the Act is to "remove obstacles to the use of and to promote development of the substantial renewable energy resources in northern Maine" and directs the Commission to approve a contract or contracts for selected transmission line and generation proposals.

In October 2022, The Commission selected two projects. The first is for the development of a 345 kilovolt (kV) transmission line to connect renewable energy resources located in northern Maine with the New England grid and the second is a renewable energy generation project to transmit power across that transmission line.

LS Power was selected for its transmission project at an estimated ratepayer cost of \$2.78 billion and Longroad Energy's King Pine 1,000 MW wind generation project was chosen resulting in estimated ratepayer savings of \$1.08 billion. Together, the net ratepayer cost of the two projects is a projected \$1.7 billion over a 30-year period.

The Commission did not make a final determination as to how much of the cost of the project Maine ratepayers can reasonably absorb but directed Commission staff to look to other states to assess if there are partnerships that could reduce the costs to Maine. Staff will report to the Commission on next steps by mid-January 2023 and the Commission will deliberate on the issue of whether it is in the public interest for Maine ratepayers to pay some portion of the cost of developing and constructing these projects.

### **REGIONAL MATTERS**

The Commission participates in electricity-related regional and national matters in four ways. First, the Commission participates directly in electricity market rule development and transmission system and reliability planning at stakeholder meetings of NEPOOL and ISO-NE and participates as a party in proceedings at the FERC.

Second, the Commission may join other state commissions in participating in federal advocacy, through the National Association of Regulatory Utility Commissioners (NARUC) or the New England Conference of Public Utility Commissioners (NECPUC).

Third, the Commission Chair currently represents Maine on the New England States Committee on Electricity (NESCOE), established by FERC to advise and advocate on behalf of the six New England states on RTO issues.

Finally, individual commissioners participate in regional and national activities (such as the Regional Greenhouse Gas Initiative) and various committees of NARUC that may have an impact on utilities or utility customers in Maine. The Chair serves on the RGGI Board of Directors and its Executive Committee. Summarized below are the major regional matters that the Commission was involved in during 2022.

### **The Future Grid**

The retirement of aging fossil and nuclear-fueled power plants, rapidly advancing and commercialization of renewable generation and energy storage technologies, and aggressive low-to-no carbon public policies are spurring a nation-wide reexamination of the electric power industry. In New England, Maine's Governor joined four other New England governors in 2020 calling for a revised partnership with ISO-New England to help advance State policies. The Governors' Statement is available at: ([http://nescoe.com/wp-content/uploads/2020/10/Electricity\\_System\\_Reform\\_GovStatement\\_14Oct2020.pdf](http://nescoe.com/wp-content/uploads/2020/10/Electricity_System_Reform_GovStatement_14Oct2020.pdf)).

The Governors' statement was followed closely by a more detailed "Vision Statement" by NESCOE, calling for significant changes in three core segments of New England's energy system: Wholesale Electricity Market Design, Transmission System Planning, and ISO-NE Governance.

Read the Vision Statement at this link: (<https://nescoe.com/resource-center/vision-stmt-oct2020/#:~:text=October%202020%20%E2%80%93%20The%20New%20England,system%3A%20Wholesale%20Electricity%20Market%20Design>).

Throughout 2022, the Commission, along with other states, ISO-NE, and the NEPOOL Stakeholders have continued to work on the objectives of the Vision Statement. Two major market rule designs to better accommodate the changing energy resource mix are underway. Rule development is highly consultative with at least one stakeholder meeting per month. FERC has approved changes to the ISO-NE transmission tariff to accommodate the longer-term transmission planning needed to understand implications of state policies. ISO-NE is in the process of finalizing the first long term transmission plan of this type.

Finally, ISO-NE and the NEPOOL stakeholders are involved in an in-depth examination of how electricity market rules and transmission planning may need to adapt to the changing grid. A summary of these efforts can be found on the ISO webpage: <https://www.iso-ne.com/committees/key-projects/new-englands-future-grid-initiative-key-project/>. In addition, ISO-NE, in coordination with the states, has contracted with the Electric

Power Research Institute (EPRI) to examine the impacts of extreme weather on the New England grid. The Commission is extensively involved in each of these efforts.

### **ELECTRIC RESTRUCTURING ACTIVITY IN OTHER STATES**

The Restructuring Act directs the Commission to report activities in other states associated with changes in the regulation of electric utilities. Fully implemented restructured markets remain primarily concentrated in the northeast and mid-Atlantic states. State-by-state data are provided at this link: [http://www.eia.gov/electricity/policies/restructuring/restructure\\_elect.html](http://www.eia.gov/electricity/policies/restructuring/restructure_elect.html)

### **RENEWABLE PORTFOLIO STANDARD (RPS)**

Several changes to Maine's renewable portfolio requirements were made in 2019, which included creating a new Class IA renewable resource portfolio requirement, a new thermal renewable energy resource requirement and applying a 300% multiplier to the output of generators fueled by municipal solid waste in conjunction with recycling in Class II. The Commission adopted routine technical changes in late 2019. The Class II 300% multiplier provision was a major substantive change and required legislative approval under 5 M.R.S. §§ 8071-8072. In compliance with these provisions, the Commission submitted the provisionally adopted rule to the Legislature for approval. On March 17, 2020, Resolve, Regarding Legislative Review of Portions of Chapter 311: Portfolio Requirement, a Major Substantive Rule of the Public Utilities Commission, became effective.

A 2020 rulemaking proceeding (Docket No. 2020-00212) resulted in changes to Chapter 311 to implement the new thermal energy credit portfolio (TREC) requirement. 2021 was the first year with a TREC requirement. The Commission only approved five TREC projects by the end of May 2022. As a result of inadequate TREC supply in the marketplace, the bulk of the TREC obligation was fulfilled by Alternative Compliance Payments (ACP), equaling approximately \$700,000. As required by statute, the Commission forwarded the ACP money to the Efficiency Maine Trust.

### **In-State Generation Resources**

There is approximately 5,225 MW of generating capacity located in Maine (105 MW in NMISA). These plants operate in response to the ISO New England's dispatch instructions which may require them to operate at full output or not at all. A complete list of generating plants in Maine is available at:

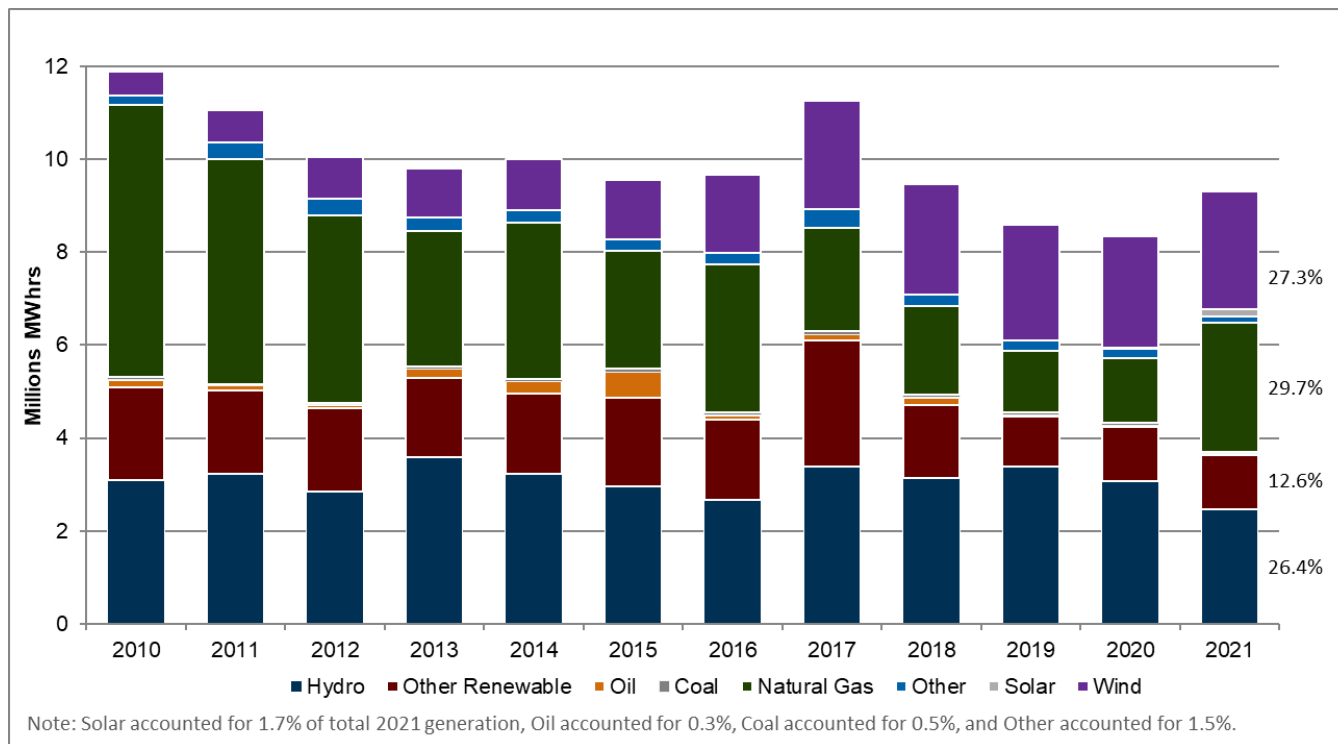
ISO-NE: [http://www.iso-ne.com/genrtion\\_resrcs/snl\\_clmd\\_cap/index.html](http://www.iso-ne.com/genrtion_resrcs/snl_clmd_cap/index.html)

NMISA: <http://www.nmisa.com/>

The fuel sources of electricity produced in Maine in 2021 (the most recent EIA data available) are shown in Chart 3 below. About 68% of electricity produced in Maine in 2021 came from renewable resources.



**Chart 3 – Electricity Generation by Fuel**



EIA Generation Data: <https://www.eia.gov/electricity/data/state/>

**RATE ADJUSTMENT MECHANISMS**

The Commission is authorized by statute<sup>6</sup> to adopt rate adjustment mechanisms, such as multi-year rate plans and the decoupling of utility profits from sales through revenue reconciliation. Significant developments must be included in the annual report.

CMP is operating under a rate adjustment mechanism through which its rates are adjusted annually through a Revenue Decoupling Mechanism (RDM) and a provision to reflect costs of significant weather events. These rate adjustment mechanisms were approved by the Commission in June 2016. In the pending CMP rate case discussed above, the Commission is considering changes to certain provisions of CMP’s rate adjustment mechanism.

On October 18, 2021, as part of Versant’s last Distribution Rate Case, the Commission approved establishment of an RDM. Versant’s first RDM adjustment filing will be April 1, 2023.

<sup>6</sup> 35-A M.R.S. § 3195

# 6. NATURAL GAS

## THE NATURAL GAS INDUSTRY IN MAINE

Natural gas service in Maine is comprised of delivery and supply service. Local delivery service is provided by Maine local distribution companies (LDCs) at rates and terms regulated by the Commission. Interstate pipeline companies provide transportation of natural gas from supply producing regions, such as Canada and the Marcellus Shale, at rates and terms regulated by the FERC. Natural gas supply is provided for some customers by an LDC and for others by non-utility suppliers or marketers. Business customers have the option of purchasing their gas supply from a non-LDC supplier or marketer.

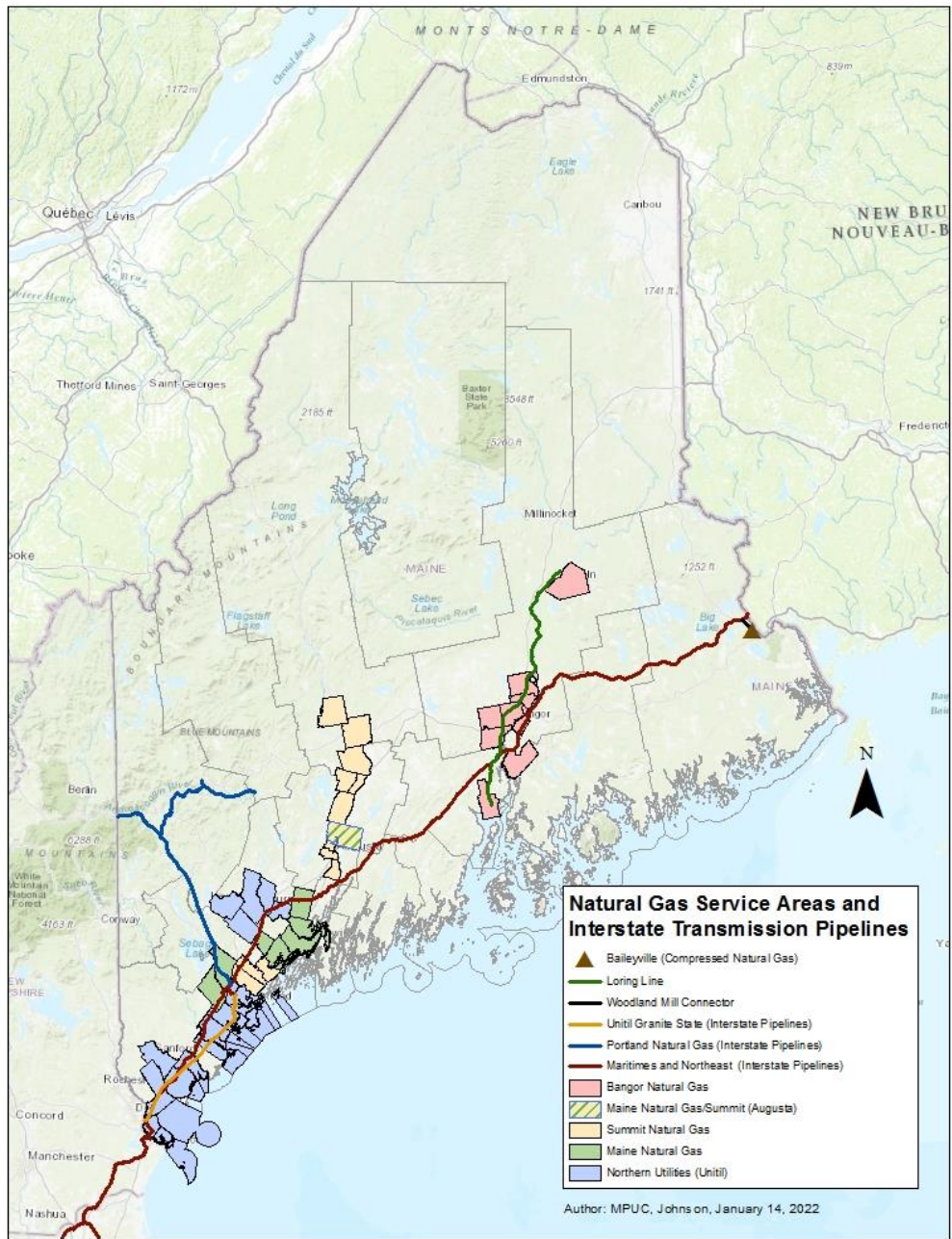
Prices for supply from the LDCs are set by Commission-approved cost-of-gas charges, which reflect the actual costs incurred by an LDC for natural gas as well as for upstream transportation and storage arrangements. The supply prices of non-utility suppliers and marketers are not regulated.

The Commission also regulates sales, acquisitions or mergers among corporations owning LDCs doing business in the State. In addition, the Commission oversees the safety aspects of LDC operations and facilities and certain propane facilities (See Section 7). Finally, in areas of the natural gas industry where federal agencies have jurisdiction over issues that affect Maine consumers, the Commission actively monitors federal proceedings and participates as warranted.

There are four natural gas LDCs authorized to provide service in Maine. Northern Utilities, Inc. d/b/a Unitil (Northern) serves customers in the south-central Maine area, primarily in greater Portland/South Portland/Westbrook, greater Lewiston/Auburn, Biddeford/Saco and Kittery. Maine Natural Gas Corporation serves customers in the Windham, Gorham, Brunswick, Freeport, Bath, Topsham and Augusta areas. Bangor Gas Company, LLC serves customers in the greater Bangor area. Summit Natural Gas of Maine (SNG-Maine or Summit) serves customers in the Kennebec Valley area as well as in the municipalities of Yarmouth, Cumberland, and Falmouth.

There are three FERC jurisdictional interstate pipelines with facilities located in Maine: Maritimes & Northeast Pipeline, Portland Natural Gas Transmission System (PNGTS), and Granite State Gas Transmission, an affiliate of Northern. Figure 2 below provides a map of the LDC service areas and interstate pipelines located in Maine.

**Figure 2-Natural Gas Pipelines and LDC Service Areas**



**MARKET TRENDS AND CONSUMER PRICES**

In past years, New England wholesale natural gas prices have been volatile and have deviated significantly from the rest of the country, particularly during cold winter weather. This year in particular, natural gas prices have increased significantly due to high demand and other factors. This is consistent with increases in other energy sectors as well, including heating fuel and gasoline.

Table 4 below provides the current average retail residential natural gas rates for each of the four Maine LDCs.

**Table 4 –LDC Residential Rates**

Local Distribution Company	Average Customers in 2021	2021 Rates (\$/dth)*		
		Distribution Rate	Cost of Gas Rate	Total Rate
Bangor Natural Gas Company	7,564	\$4.92	\$7.91	\$12.83
Maine Natural Gas Company	5,425	\$10.19	\$7.84	\$18.03
Summit Natural Gas	4,679	\$13.34	\$5.97	\$19.31
Northern Utilities	32,371	\$9.86	\$6.65	\$16.51

\* From LDC Annual Reports filed with MPUC.

\*\*Converted from MCF for MNG, Summit, BG and Therms for Northern. Not weather normalized.

## **MAJOR CASES, ISSUES AND PROCEEDINGS**

### **Summit Natural Gas Rate Case**

On January 27, 2022, Summit Natural Gas of Maine Inc. filed a Notice of Intent to file a request for approval of an alternative rate plan for its natural gas delivery rates, requesting a 7-year rate plan that would set starting rates at a level that generates additional revenues of \$2.8 million, after which the Company proposes that it be authorized to increase rates on an annual basis, subject to a cap. Summit based the proposed increase on a return of equity of 11.10% and a return on rate base of 8.15%. Summit has been operating under its existing alternative rate plan, which was set to expire December 31, 2022.

Public hearings were held in September, with a total of 11 members of the public testifying. A total of 28 public comments have been submitted in the case. After extensive settlement negotiations, a stipulation was submitted by the interested parties. In the Stipulation, the Parties posit that Summit’s starting point rates and subsequent rate adjustments of its multi-year Alternative Rate Plan will result in rates that are just and reasonable and should be approved. The proposed Alternative Rate Plan would be effective January 1, 2023, through June 30, 2027. The first rate increase would be implemented on April 1, 2023 and impact all customer classes.

Oral Argument on the Stipulation was heard on January 11, 2023. The Commission is expected to decide whether to approve the Stipulation over the next month.

## **35-A M.R.S. § 4706 REQUIRED REPORTING**

### **Alternative Rate-Making Mechanisms**

The Commission is authorized by statute<sup>[1]</sup> to adopt alternative ratemaking mechanisms for gas utilities “to promote efficiency in operations, create appropriate financial incentives,

<sup>[1]</sup> 35-A M.R.S. § 4706

promote rate stability and promote equitable cost recovery." In particular, the Commission may adopt multi-year ratemaking plans with mechanisms for future rate changes, reconcile costs and revenue, index revenues or rate changes, establish financial incentives, streamline regulation, or deregulate services when not required to protect the public interest, approve rate flexibility programs, and modify cost-of-gas adjustment requirements. The Commission must report any significant developments with respect to action or proposed action by the Commission in its annual report.

In 2016, the Commission approved alternative rate plans for Augusta and Non-Augusta customers of Maine Natural Gas. Summit Natural Gas Company and Bangor Natural Gas Company continued to operate pursuant to previously established multi-year rate plans. Bangor Gas' ARP was set to expire at the end of 2021. The Company had sought an extension of its ARP but withdrew its case. This raised questions about the effect of the expiration of its ARP on both rates and the mechanism included in the ARP for its cost-of-gas recovery. After comments from Bangor Gas and interested parties, the Commission concluded that Bangor Gas's current rates and cost-of-gas methodology would remain in effect until Bangor Gas files a new rate case. Summit's rate plan is set to expire at the end of 2022. As noted above, there is a pending Summit rate case.

#### **Low-Income Assistance Programs**

Section 4706-B requires the Commission to report on low-income assistance programs offered by LDCs. In 2022, Northern Utilities continued to provide a discount of 30% of total service charges to low-income residential customers. Maine Natural Gas and Bangor Gas continued to provide qualifying, low-income customers with a 28% discount on delivery charges (excluding the cost of gas). In February 2022, the Commission approved Summit Natural Gas' request to create a low-income assistance program that would also have a 28% discount on delivery charges.

## 7. GAS SAFETY

### GAS SAFETY REGULATION AND ENFORCEMENT IN MAINE

The Commission regulates natural gas service reliability and ensures compliance with safety standards for 1,410 miles of natural gas distribution mains, 84 miles of intra-state transmission pipelines (including the five-mile private pipeline operated by Woodland Pulp, LLC), and 40,812 services. These facilities were in service throughout Maine as of December 31, 2021, as noted in the operators' annual reports to the U.S. Department of Transportation's Pipeline and Hazardous Material Safety Administration (PHMSA) filed in March of 2022. In addition, the Commission enforces safety standards for approximately 590 Liquid Propane Gas (LPG) distribution facilities that provide LPG service to multi-unit housing complexes, commercial buildings, and other facilities where LPG system failures would likely impact large numbers of people.

The Commission derives its authority for safety oversight from both state and federal laws. Chapters 420 and 421 of the Commission's rules adopt federal safety regulations for pipelines that transport hazardous gases to protect the public and govern the safe operation of distribution and intrastate transmission facilities within the State.

The Commission is also a certified agent for PHMSA, working to ensure that intrastate natural gas transmission and distribution systems comply with federal pipeline safety standards and corresponding state regulations through operator inspections. Additionally, the Commission investigates natural gas safety incidents and pursues enforcement actions for violations of the federal or state safety regulations.

PHMSA conducts annual evaluations of the pipeline safety programs for all states that have agency certification. PHMSA's evaluation of the Commission's pipeline safety program for calendar year 2021 resulted in a score of 98%. The staff strives to improve the program's score based on feedback provided by the PHMSA evaluation.

PHMSA requires that each certified state actively participate in the National Association of Pipeline Safety Representatives (NAPSR). The Gas Safety staff is currently active on multiple NAPSR and PHMSA/NAPSR committees. In addition, all State and Federal Pipeline Safety Inspectors are required to complete an extensive training program at PHMSA's Training and Qualification Center in Oklahoma City. One of the Commission's Gas Pipeline Safety Inspectors is an Associate Instructor in PHMSA's Welding and Welding Inspection Course.

In 2022 the gas safety staff spent 248 inspection person days conducting inspections and compliance audits of LPG and natural gas facilities (see explanation of "inspection person days" in the footnote to Table 7 below). The purpose of the inspections and audits are to determine whether operators complied with the design, construction, operating, and maintenance requirements of the Commission's safety rules and federal regulations. Approximately 98 inspection days were devoted to LPG operations and 147.5 inspection days involved natural gas operations. Table 5 below shows the various types of inspections completed by the gas safety staff over the past five years.

**Table 5 – Natural Gas and Propane Inspection Data**

Inspection Type – Natural Gas	Inspection Person Days*				
	2018	2019	2020	2021	2022
Operating Procedures & Records	46	32	37.5	50.5	25.5
Construction & Related Records	77	102	74	53	71
Integrity Management Programs	3	8	10	6.5	3
Operator Qualification Programs	19	12	16.5	13	10.5
Accident or Incident Investigations	N/A	N/A	N/A	N/A	1
Damage Prevention	8	1.5	4.5	5.5	1
Public Awareness Programs	7	1.5	6	12	2
Drug & Alcohol Testing Programs	8	1	1.5	6.5	0
Compliance Follow-Up	24	17	32	23.5	29
Operator Training	4	0.5	2	6	0
Inspection Type - Propane					
Procedures, Facilities & Records	46	36	27	75.5	85
Operator Qualification Programs	1	N/A	3	**	2.5**
Accident or Incident Investigations	3	N/A	1.5	N/A	N/A
Integrity Management Programs	N/A	N/A	N/A	**	**
Damage Prevention	N/A	1	1	0.5	0
Compliance Follow-Up	17	7.5	15.5	3	5
Operator Training	3	1	3	10	6
# of Facilities Inspected (not Inspection Person Days)	149	106	94	88	129

\* An “inspection person day” is defined by PHMSA as all or part of a day spent by pipeline safety staff in on-site evaluation of an operator’s system to determine compliance with Federal or State pipeline safety regulations; or in on-site investigation of a pipeline incident; or in training of an operator.

\*\* Integrity Management and Operator Qualification inspections were also conducted in conjunction with inspections of the Operating and Maintenance Procedures and Records.

LPG inspections conducted in 2022 resulted in some required corrective actions to bring facilities, procedures, or record keeping into compliance. Most of these corrective actions were handled through informal proceedings, without notices of probable violations (NOPVs) or civil penalties.

On March 22, 2022, the Commission approved a Consent Agreement with Garthwaite Energy, Inc. to close out an October 28, 2021, NOPV for failure to register Jurisdictional LP facilities with the Commission, have and follow an O&M Manual, and qualify personnel. The Consent Agreement included a penalty of \$10,000.

Inspections of natural gas operators also resulted in some required corrective actions which were handled through informal proceedings.

On June 22, 2022, the Commission approved a Consent Agreement with Bangor Natural Gas Company to close out a September 14, 2021, NOPV for failure to expose an existing underground facility and provide adequate clearance between that facility when installing

natural gas facility by trenchless technology. The Consent Agreement approved a comprehensive field mitigation program initiated by Bangor Natural Gas Company and included a penalty of \$25,000.

### **2021 Construction**

The four natural gas utilities in Maine added a total of 28.65 miles of new distribution mains and 1,327 new services. Total mains and services were derived from each utility's stated totals in their Gas Distribution System Annual Report to the Pipeline and Hazardous Materials Safety Administration for Calendar Year 2021. Information for 2022 is not provided until March 2023.



## 8. DIG SAFE

### UNDERGROUND FACILITY DAMAGE PREVENTION AND ENFORCEMENT

The Damage Prevention section of the Consumer Assistance and Safety Division (CASD) is charged with enforcing Maine’s underground facilities damage prevention law, called “the Dig Safe Law” (23 M.R.S. § 3360-A). This law is intended to prevent damage to underground utility facilities such as gas lines, water lines, or underground telecommunications and electric cables resulting from excavation.

Under the Dig Safe Law and the Commission’s rule implementing the law, Chapter 895, any person or company planning to excavate near underground facilities must follow certain safety procedures and must notify facility owners of the planned excavation. Most facility operators, such as large utilities, can be notified using the Dig Safe System. Excavators can access the Dig Safe System online at [www.digsafe.com](http://www.digsafe.com), or by calling 1-800-DIGSAFE or 811.

Excavators must also notify facility operators who are not members of the Dig Safe System, such as municipalities and smaller utilities. To help excavators identify the non-member operators that own underground facilities near their intended excavation site, the Commission maintains the OKTODIG program, a database of non-member operators. Excavators can access this program by calling 1-800 OKTODIG or online at [www.oktodig.com](http://www.oktodig.com). Once informed of a pending excavation, utilities have an obligation to locate and mark their underground facilities in accordance with the Dig Safe Law so that excavators will be sufficiently aware of their location when they dig.

Violations of the Dig Safe Law and Chapter 895 must be reported to the Commission, which then investigates the incident and determines the appropriate enforcement action, if any. To increase awareness of the Dig Safe law and Chapter 895, the Commission performs regular training programs. The Commission also provides public education materials on its website to improve awareness among private property owners of the importance of preventing damage to underground facilities.

In 2017, the U.S. Department of Transportation’s Pipeline and Hazardous Material Safety Administration (PHMSA) began evaluating States’ damage prevention programs to determine whether each State adequately enforces its damage prevention laws and regulations. A finding of “inadequate” enforcement by PHMSA could result in PHMSA enforcement of Federal Damage Prevention standards in that state and the state losing a portion of its Gas Safety Program funding. PHMSA completed its review of Maine’s Damage Prevention Program in July of 2022 and for the fourth year in a row the Program received a perfect score.

### INDUSTRY TRENDS

A review of Table 6 below shows that the overall number of damage incidents experienced in 2022 increased slightly from 2021, with most incidents involving electric facilities. This figure also includes some miscellaneous incidents which is why the subcategories do not add to the total.

The Commission conducts an on-site investigation for each incident as soon as possible, in many cases on the same day, to determine the cause of the incident and to assess the risks to people and underground facilities. Based on this investigation, the Commission determines any appropriate response to the incident, such as training or the assessment of a financial penalty for the violator.

**Table 6 – Summary of Dig Safe Activity**

<b>Metric</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Reported Total Incidents	300	349	349	313	323
Reported Electric Incidents	59	74	47	58	75
Reported Gas Incidents	62	60	39	54	46
Reported Telecom Incidents	110	80	88	68	55
Reported Water Incidents	22	45	30	33	24
Reported Sewer Incidents	10	13	30	24	16
Reported CATV Incidents	49	44	36	45	70
Excavator Violations	73	61	74	81	75
Operator Violations	85	78	118	59	82
Penalties Assessed	\$272,500	\$180,000	\$245,000	\$188,500	\$245,000
Penalties Waived with Training	\$27,500	\$20,500	\$42,000	\$40,500	\$48,000
Penalties Not Waived	\$245,000	\$159,500	\$203,000	\$148,000	\$197,000

### **Public Awareness, Training and Education**

The Commission continues to strongly support and promote education and training to reduce and prevent damage incidents involving underground facilities and ensure the safety of residents and property located near those facilities. Maine’s Underground Damage Prevention Rule (Chapter 895) allows the Commission to require an excavator or member operator who has violated the rule to attend an educational training program. Often, this training is offered in lieu of a financial penalty. In addition, the Commission encourages excavators and operators to periodically attend training sessions to ensure that they are up to date on the most recent technological and regulatory developments relating to underground facilities damage prevention.

The Commission also works with and financially supports training offered by the New England Committee of Managing Underground Safety Training (MUST), which includes Maine Dig Safe members, excavating contractors and underground facility location workers. The Commission also conducts its own training sessions, both at the Commission’s offices as well as by request at excavator and operator locations. In 2022, the Commission completed 22 different training sessions that were attended by 431 people.

### **Public Outreach Campaign**

In the spring and fall of 2022, the Commission worked with Broadreach Public Relations and its partners to update its Dig Safe public service announcements and relaunch a campaign to include traditional television in addition to social media and digital devices.

To gauge the effectiveness of the Dig Safe campaign launched in 2021 and early 2022, the Commission participated in a Fall Tracking Study on Critical Insights in Maine conducted by Digital Research, Inc. The study surveyed 620 respondents across the state of Maine. Below are answers to questions specifically related to Dig Safe:

- **Need to call Dig Safe** - Half (54%) of Mainers are aware of the need to call Dig Safe. This increased from 51% in the spring. The campaign was on-air for both surveys.
- **Need to call Dig Safe** – Not surprisingly, Mainers who have seen the PUC’s advertising are much more likely to be aware of the Dig Safe law (62% vs. 32%).
- **Need to call Dig Safe** – Only 28% of Mainers under 35 were aware of the need to call Dig Safe. This dropped from 30% in the spring. This likely reflects a lower level of home ownership in that age group.

The Dig Safe campaign ran a mix of programmatically targeted digital, streaming TV and social media from March through November. The campaign delivered a projected 3,619,000 Impressions and 2,045,000 videos played to the end.

# 9. WATER AND WATERBORNE TRANSPORTATION

## THE WATER INDUSTRY IN MAINE

The 152 water utilities in Maine include both investor and consumer-owned organizations. Consumer-owned water utilities are water departments or districts, which are municipal or quasi-municipal entities governed by municipal officials or elected or appointed boards of trustees. Water utilities, whether investor-owned or consumer-owned, are created by private and special laws (charters) enacted by the Legislature. These charters establish corporate (territorial) limits, grant powers, define authority and responsibilities and specify other provisions and criteria which govern the administration and operation of the water utility.

The Commission is charged with oversight of the rates and services of water utilities. In 2022, the Commission received 74 new water cases, which included rate cases, issue of securities, revisions of non-rate-related terms and conditions, infrastructure surcharge filings, and other requests.

The Department of Health and Human Services' Drinking Water Program regulates water quality through the administration of the Federal Safe Drinking Water Act. The Department of Environmental Protection also oversees some water utility issues such as regulations protecting water sources.

## KEY EVENTS

### **The Maine Water Company Rate Cases**

In February 2022, the Maine Water Company filed Applications for Rate Changes pertaining to its Millinocket, Oakland, Freeport, and Camden-Rockland Divisions, requesting that the Commission approve a revised rate schedule for each, representing an overall rate increase of 14.47 percent, 9.89 percent, 6.10 percent, and 3.4 percent respectively. Maine Water Company cites increased water infrastructure costs as the reason for the proposed increases. The proposed implementation date for these increases was July 2, 2022, however the cases are still being litigated and outcomes will be determined in early 2023.

## INDUSTRY TRENDS

### **Aging Water Infrastructure and Costs**

Water utilities in Maine and across the Nation are confronted with the urgent need to replace water infrastructure that is at or will soon reach the end of its useful life. Much of the infrastructure currently used to deliver water service flows through pipes that were installed in response to growth and economic development in the late 1800s through the post-World War II period. A significant portion of system components, including piping, are becoming antiquated at approximately the same time.

The Maine Drinking Water Program estimates that over the next 20 years, an investment of approximately \$1.3 billion is needed to fund water infrastructure replacement in Maine. The cost associated with replacing this infrastructure for water utilities nationally is estimated at

\$385 billion. In 2022, the Commission approved filings from water utilities related to infrastructure investment totaling \$66 million.

Water utilities can recover the cost of new infrastructure through rates over the life of the plant and consumer-owned water utilities are also able to include in rates the full debt repayment for such projects. However, water infrastructure is expensive and the pumping and treatment facilities necessary to serve a hundred customers are roughly the same cost as those needed to serve a thousand customers. Due to the cost and scope of water systems, replacement of water infrastructure can present significant financial challenges to water utilities and in some cases can drive substantial rate increases to water utility customers. Also, small water utilities run by volunteer boards and trustees are often reluctant to increase rates, compounding this challenge.

### **Chapter 62 Rule Amendments**

The Commission amended Chapter 62 of its rules to address issues raised by water utilities at two workshops. The Rule, which was last comprehensively amended in 1987, has been updated and modernized, including changing the designation of the Rule from Chapter 62 to Chapter 620 to conform with the Commission's current rule organization conventions. Chapter 62, now Chapter 620, sets forth comprehensive regulations for water utilities, including rules applicable to jobbing (work by a water utility for a customer that is outside the scope of regulated utility service), terms and conditions of service, seasonal service, low- and high-pressure areas, limited service contracts, and metering. Chapter 620 also makes permanent an emergency amendment promulgated by the Commission in 2021, that included provisions for water utilities to utilize during periods of low water availability to help them during what have become very dry summers in Maine. Chapter 620 also addresses the advancements in metering technologies, meter testing and other changes intended to address issues encountered by water utilities. Together the amendments to Chapter 620 give water utilities more tools for dealing with water supply shortages and better align the rule with modern metering technologies.

### **Chapter 615 Rule Amendments**

Chapter 615 establishes rules for the form, content, and procedure for granting, modifying, and rescinding exemptions from regulatory requirements for consumer-owned water utilities before the Commission pursuant to 35-A M.R.S. § 6114. The amended rule no longer requires that petitions for waivers to the Commission by consumer-owned water utilities include notices published in a newspaper and instead allows notices to be published and disseminated using more modern and readily available methods of communication. This change should make the notice process significantly less expensive while likely reaching a larger segment of the potentially affected population as on-line communication has replaced printed news as the most common method for the public to access information.

### **Chapter 616 Rule Adopted**

This Rule establishes exemptions that are applicable to consumer-owned water utilities as granted by the Commission pursuant to Chapter 615 discussed above. The first exemption granted to consumer-owned water utilities concerns the requirements found in 35-A M.R.S. § 6104 and § 6104-A for rate case notifications to be published in a local newspaper. As with

Chapter 615 the Commission will exempt this requirement in favor of consumer-owned water utilities utilizing more modern electronic forms of communication to reduce the financial burden and increase the likelihood of notices being read by potentially affected parties.

### **Rate Adjustment Mechanism for Water Utilities**

Title 35-A provides that the Commission may establish or authorize a reasonable rate-adjustment mechanism to decouple water utility revenues from water utility sales through revenue reconciliation when changes in sales are due to a change in the number of customers or a change in the volume of consumption. Section 6102-A(2) requires the Commission to include in its annual report rate information regarding any adjustments requested and those granted. No rate adjustment mechanisms were requested or granted in 2022.

### **Waterborne Transportation in Casco Bay**

Pursuant to 35-A M.R.S. §§ 5101-5111, and Chapters 510, 520, and 560 of the Commission's rules, the Commission regulates the provision of ferry, charter, water taxi, and unscheduled freight services between Peaks Island, Great Diamond Island, Little Diamond Island, Long Island, Chebeague Island, Cliff Island, and the mainland of Cumberland County.

No person, other than Casco Bay Island Transit District (CBITD), which was created by Private and Special Law 1981, c. 22, may provide ferry service within this regulated territory of Casco Bay without obtaining a certificate of public convenience and necessity from the Commission. Further, no person may provide charter, water taxi, or unscheduled freight service within this regulated territory without obtaining authorization from the Commission.

The Commission did not receive any applications to provide charter, water taxi, and unscheduled freight services in Casco Bay in 2022.

# 10. EMERGENCY SERVICES COMMUNICATION BUREAU

## 911 SERVICES IN MAINE

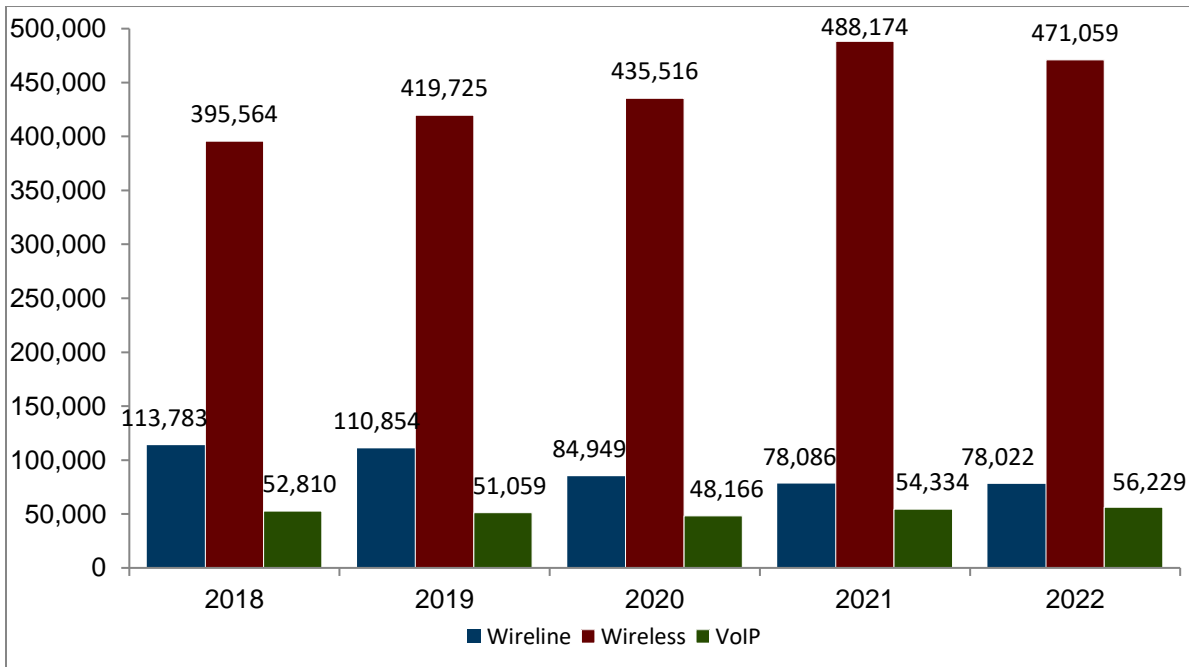
The Emergency Services Communication Bureau (ESCB) manages the statewide 911 system, which is the component of the emergency response system that delivers 911 calls and displays the telephone number and physical location of the caller at one of Maine’s 24 Public Safety Answering Points (PSAPs). The ESCB is funded by the E911 surcharge which is assessed on all wireline, wireless (prepaid and postpaid) and VoIP service.

## INDUSTRY TRENDS

In Maine and the nation, wireless phones have accounted for the largest portion of payments of the E911 surcharge. Fees collected from wireline phones continue a downward trend. Overall, however, this program has adequate funding. The Commission will review the surcharge again in 2023 to determine the appropriate surcharge to meet operational needs.

In 2022, 78 percent of all calls to 911 came from wireless phones. See Chart 4.

**Chart 4 - 911 Calls**



## **KEY EVENTS**

### **911 Crisis Response Services**

On June 8, 2021, Resolve, To Facilitate the Inclusion of Crisis Response Services in Emergency Services Offered through the E-9-1-1 System,<sup>7</sup> was signed into law. The Resolve required the ESCB to submit a report to the Committee outlining protocols and procedures necessary to ensure the delivery of crisis response services under the State's E-9-1-1 system. This report, *Maine Crisis Protocol Report*, was submitted on February 1, 2022.

To continue the integration of crisis response services into 911, on April 18, 2022, the Governor signed into law Resolves 2021, Chapter 162, (Resolve, To Implement the Crisis Response Service Recommendations Identified Pursuant to Resolve 2021, Chapter 29). The ESCB contracted the services of Mission Critical Partners to assist with this work. A collaborative process with stakeholders developed the *Call Receipt, Acknowledgement, and Transfer Of Behavioral Health Calls* policy. As required, a report on the progress of this working group will be submitted to Committee on or before February 1, 2023. The report will also include necessary legislative language to implement the recommendations detailed in the February 2022 report.

### **911 System**

In 2021, the Commission issued an RFP to hire a consultant to help define the future technical needs of the system after first conducting a Next Generation maturity assessment of Maine's system. 9-1-1 Authority LLC was awarded the contract. Development of the technical specifications for the next system are underway.

### **Call Taker and Dispatch Training**

The ESCB offers a variety of courses to ensure that 911 call takers and dispatchers have all the necessary skills to handle emergency calls. The number of persons trained in most courses increased in 2022, requiring an additional two sessions of the NG911 Equipment and Policy Certification course. The increases in students reflect the hiring and retention challenges being experienced at PSAPs across the State.

### **PSAP Audits**

The PSAP audits were conducted in person this year. Most PSAPs have low staffing levels; some have critically low staffing levels (below 50 percent). PSAPs with low staffing levels find it difficult to perform the required quality assurance review process for calls processed that used Emergency Medical Dispatch or Emergency Fire Dispatch protocols. A few PSAPs established contracts with Priority Dispatch to assist with required call reviews.

ESCB rules require PSAPs to answer all calls in ten seconds or less 90% of the time. All but four PSAPs, Portland PD, DPS Augusta, Penobscot RCC and Cumberland RCC, met this requirement. Staffing challenges are directly related to the ability to meet this metric. See Table 7 below.

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<sup>7</sup> Resolves 2021, Chapter 29.



**Table 7 – 2022 PSAP Call Center Efficiency**

<b>PSAP</b>	<b>Incoming 911 Calls - 2022</b>	<b>% Calls Answered ≤ 10 seconds*</b>	<b>Avg Ring Duration (seconds)</b>
Androscoggin RCC	14,665	93.80%	7
Biddeford PD	23,797	98.10%	5
Brunswick PD	13,675	98.50%	5
Cumberland RCC	35,376	89.00%	8
DPS Bangor	10,408	94.20%	10
DPS CMRCC	45,722	89.50%	9
DPS Houlton	30,104	97.80%	6
Franklin RCC	12,369	97.90%	5
Hancock RCC	18,470	97.60%	6
Knox RCC	14,820	96.40%	6
Lewiston Auburn RCC	48,017	93.20%	6
Lincoln RCC	14,970	97.80%	5
Oxford RCC	25,766	96.60%	6
Penobscot RCC	68,443	84.00%	8
Piscataquis RCC	6,491	95.50%	6
Portland PD	65,044	65.70%	11
Sagadahoc RCC	13,443	98.90%	4
Sanford PD	29,888	96.00%	6
Scarborough PD	15,719	97.40%	6
Somerset RCC	42,463	98.10%	5
Waldo RCC	12,741	94.50%	6
Washington RCC	11,991	98.30%	6
Westbrook RCC	16,805	97.10%	6
York PD	14,123	94.80%	6
<b>Total Calls</b>	<b>605,310</b>	<b>90.90%</b>	<b>6</b>

\*Call answering metrics were calculated based on calls between September 1, 2022 through December 31, 2022.

# 11. CONSUMER ASSISTANCE

The Consumer Assistance section of the Consumer Assistance and Safety Division (CASD) is the Commission's primary link with utility customers. The CASD is charged with ensuring that consumers, utilities, and the public receive fair and equitable treatment through education, complaint resolution, and evaluation of utility compliance with consumer protection rules.

As part of its mission, the CASD is responsible for educating the public and utilities about consumer rights and responsibilities and other utility-related consumer issues, for investigating and resolving disputes between consumers and utilities, and for evaluating utility compliance with State statutes, Commission rules and the utility's Terms & Conditions for service. The Commission also uses information about consumer contacts with the CASD and other CASD data as a basis for enforcement actions, Commission investigations and in other Commission proceedings.

## Public Education

Due to inflation and the continued increase in the cost of energy, the Commission has worked to provide information regarding consumer assistance programs and customer choices via social media. In October, a Fall Tracking survey was conducted as part of the Fall Tracking Study survey on Critical Insights in Maine to gauge knowledge of consumer assistance programs and the need. A number of questions related to consumer assistance were asked and results are as follows:

- **Ability to pay (overall)** - Half (49%) of Mainers continue to say they have difficulty paying their utility bills some of the time. This is consistent with the spring survey, with the only significant change in that *Always have difficulty paying* increasing by 3 points (+37%) from 8% to 11%.
- **Ability to pay (age)** – People 65+ continued to have the lowest percentage of respondents noting any difficulty in paying. This number dropped from 34% citing any difficulty in paying to 29%.
- **Ability to pay (age)** People under 35 continue to struggle with their ability to pay their utility bills some of the time. This number increased from 55% in the spring to 58% in the fall.
- **Awareness of financial assistance programs** – continued to be consistent across age and income demographic segments. There was a 9% drop in overall awareness (from 64% to 58%).
- **Awareness of financial assistance programs (how did you find out)** – The greatest source of information regarding assistance programs was social workers/case worker/social programs (19%), followed closely by TV/radio news (18%) and friend or family (17%).
- **Awareness of Commission advertising** – Overall, 46% of Mainers were aware of advertising by the Commission. 45% were not aware and 9% were unsure. Awareness

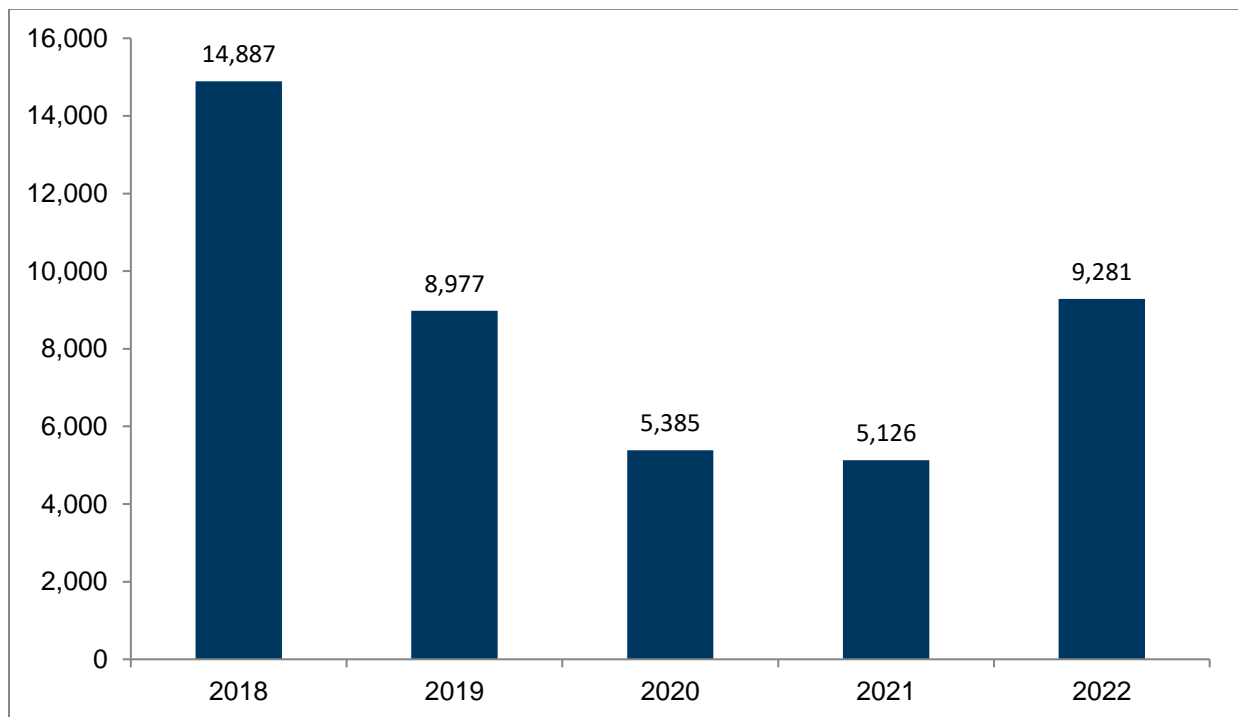
among Mainers 45+ was significantly higher (51% to 55%) relative to younger Mainers (36% to 38%).

The Commission rolled out an ad campaign in December 2022 to inform Mainers of where they can go to get help paying their electric bill, remind them to look for ways to conserve energy, to be conscious of neighbors who may need help and not know where to go, and to talk about getting help, which is something many families have never done before. The campaign consists of two public service announcements that will run on traditional television and tv streaming apps, social media, and digital video platforms through April 2023. It is expected to reach 557,600 consumers between the ages of 18 and 64 an average of 6.5 times (over the life of the campaign) for a total of 3,638,400 impressions.

### CASD Contacts

The CASD tracks its contacts with both consumers and utilities, as detailed in Chart 5 below. Contacts take several forms, such as the general provision of information and assistance, investigation of a complaint involving a customer dispute with a utility that the parties have been unable to resolve, or processing utility requests for waivers of Commission rules. The CASD recorded 9,281 consumer contacts in 2022.

**Chart 5 – CASD Contacts 2018 – 2022**



### Consumer Complaints

As shown in Chart 6 below, the CASD received 1,360 complaints in 2022.

**Chart 6 - Consumer Complaints 2018 – 2022**

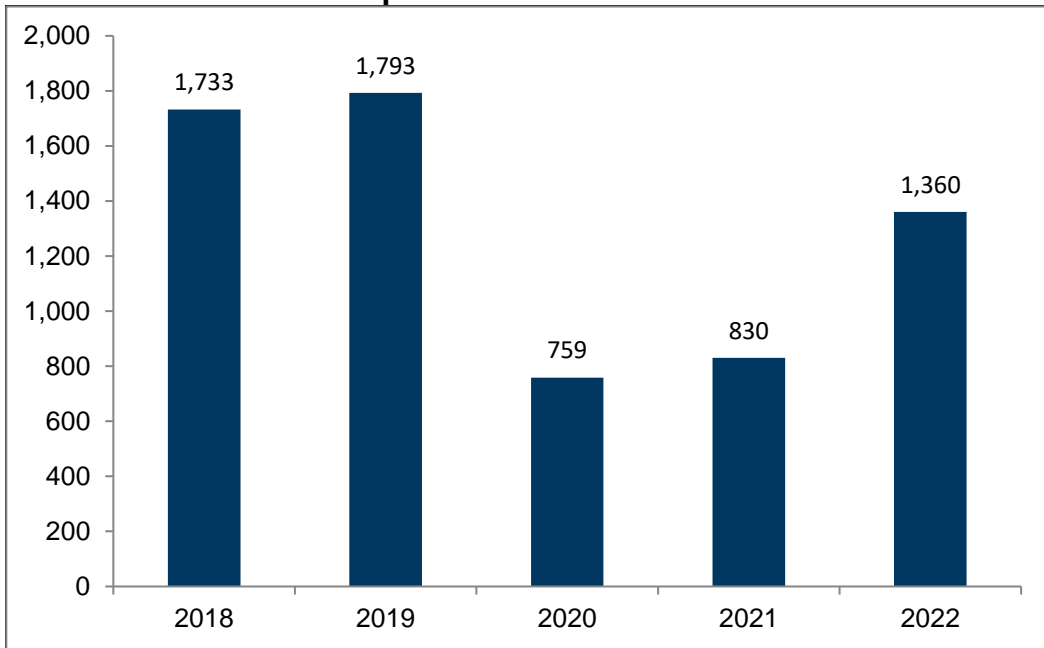
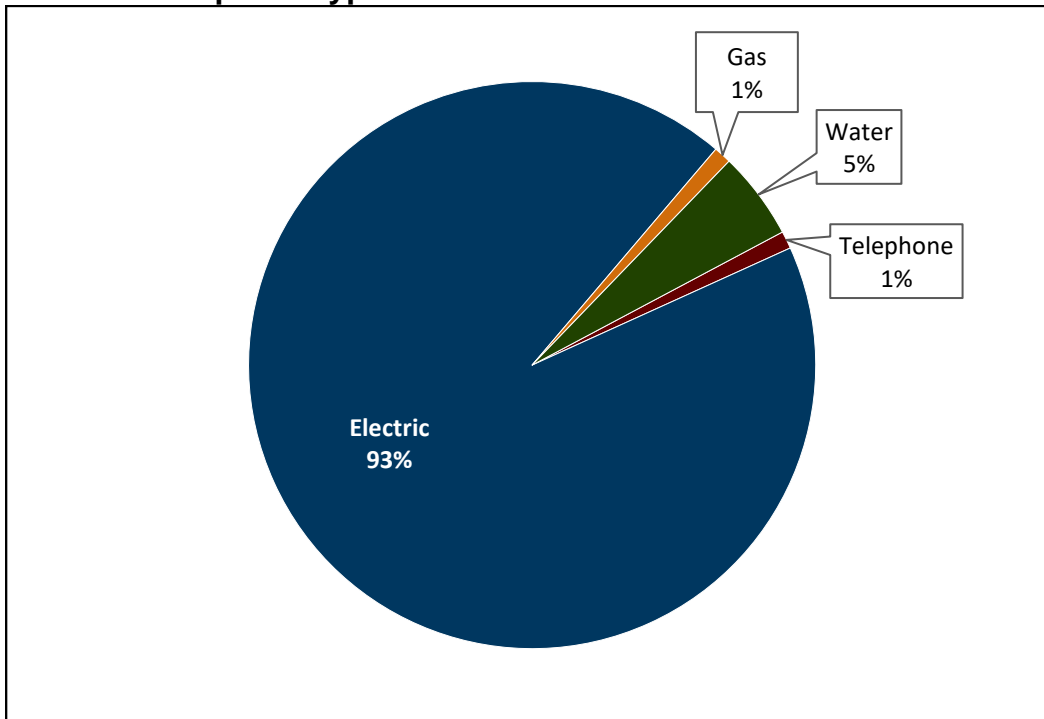


Chart 7 below breaks down complaints received by utility industry. Figure 18 shows that electric complaints represented 93% of complaints received by the CASD in 2022.

**Chart 7 - Complaint Type in 2022**



## **Refunds to Consumers**

The CASD often obtains credits or refunds for customers as part of its resolution of customer complaints against utilities. In 2022, the CASD obtained \$72,314 in refunds to customers.

## **LOW INCOME PROGRAMS**

### **Expansion of Low-Income Assistance Program**

In May 2022, the Commission approved amendments to its electric Low-Income Assistance Program (LIAP) Rule, which expands the program to provide assistance to customers who participate in a DHHS means-tested program who are at or below 75 percent of the Federal poverty line. The program continues to be available to electric customers who qualify for the Low-Income Heating Assistance Program (LIHEAP).

LIAP helps qualified low-income electricity consumers pay for electricity costs. Those who qualified received a credit on their electric bill based on income and electricity usage. Funding for the program was increased from about \$7.8 million to \$15 million.

### **Net Energy Billing (NEB) Credits for Customers Participating in the Arrearage Management Program (AMP)**

During its 2021 session, the Legislature enacted An Act To Support Arrearage Management Programs through Unused Kilowatt-hour Credits Derived from Net Energy Billing Arrangements. P.L. 2021, c.370 (kWh Credit Act) requiring utilities to apply unused, expired NEB credits to benefit customers participating in Arrearage Management Programs. In 2022, \$314,484 in NEB credits were applied to AMP accounts for CMP and \$83,615 in NEB credits were applied to AMP accounts for Versant Power.

### **Electric Low-Income Assistance and Oxygen Pump/Ventilator Programs Pursuant to 35-A M.R.S. § 3214(6)**

The Commission is required by 35-A M.R.S. § 3214(6) to report annually the results of the Low-Income Assistance Program (LIAP) and Oxygen Pump/Ventilator benefits to the Utilities and Energy Committee. The report must include the number of participants in each program and amounts paid each month, which is shown below in Table 8. It must also include an assessment of the effectiveness of the oxygen pump and ventilator benefit in covering only those electric charges directly related to use of an oxygen pump or ventilator.

**Table 8 – Program Statistics based on quarterly reports from electric utilities**

Month	LIAP Program		Oxygen Program		Ventilator Program	
	Number of Participants	Benefit Amount	Number of Participants	Benefit Amount	Number of Participants	Benefit Amount
Oct 2021	1,858	344,693	25	2,027	-	-
Nov 2021	6,287	1,167,527	99	10,662	-	-
Dec 2021	8,855	751,151	210	12,958	-	-
Jan 2022	12,619	1,345,235	441	45,355	1	382
Feb 2022	16,009	1,259,959	651	18,514	-	-
Mar 2022	20,267	1,637,132	927	29,391	-	-
Apr 2022	23,221	1,040,665	1,055	14,530	2	-
May 2022	25,227	707,662	1,347	14,208	2	-
June 2022	27,218	695,840	1,654	14,152	3	-
July 2022	29,050	649,381	1,042	16,683	-	-
Aug 2022	29,871	297,490	1,184	15,971	-	-
Sept 2022	29,869	441,655	1,433	52,146	-	-
<b>Total</b>		<b>\$10,338,389</b>		<b>\$246,598</b>		<b>\$382</b>

### Intervenor Funding Rule

During its 2022 session, the Legislature enacted An Act To Implement Recommendations Regarding the Incorporation of Equity Considerations in Regulatory Decision Making. P.L. 2021, ch. 736 (Act). The Act amends existing intervenor funding provisions to clarify the eligibility requirements for intervenor funding, the sources of the funding and other related requirements and provisions to be adopted by rule by the Commission.

In past iterations of the intervenor funding rules, the funding was provided to qualified participants at the end of a proceeding. In the proposed rule and as allowed by the Act, qualified intervenors could receive funding upfront, which the Commission hopes will encourage more participation. Additionally, to encourage participation, requests for intervenor funding could be for participants in both adjudicatory and non-adjudicatory proceedings. The rulemaking proceeding is still currently underway at the Commission and the new rule is expected to be adopted in early 2023.

## 12. SUMMARY OF LAW COURT APPEALS

Unlike most governmental agencies, the adjudicatory process utilized by the Commission is comparable to that of a court proceeding. Recognizing this unique aspect of the Commission's adjudicatory decision-making process, Title 35-A provides that appellate jurisdiction to review final Commission decisions, except for rulemakings, resides exclusively with the Law Court. This differs from the process for judicial review that applies to most governmental agencies where appeals are taken, in the first instance, to Superior Court. The following provides a summary of the cases appealed to the Law Court that involve the Commission.

### **General Marine Billing Dispute with Portland Water District**

On May 27, 2020, following an informal investigation by the CASD into a dispute between the Portland Water District and its customer, General Marine Construction Corporation (General Marine), the Commission issued a decision, declining to open a formal investigation. The dispute regarded an alleged unlawful water service connection and how to calculate the resulting make-up bill. General Marine appealed the Commission's decision to the Law Court, and on appeal the Commission explained that its regulatory dispute process is designed to be informal. If the CASD process was a formal adjudication, it would not serve the purpose it was created to serve, namely, to provide a rapid, inexpensive, low-barrier way for financially distressed customers to keep their lights on, heat their homes, keep water coming out of their taps, and reasonably pay their bills.

By decision dated March 31, 2022, the Law Court agreed with the Commission, concluding the CASD dispute process is an oft-used, voluntary, informal dispute resolution alternative to formal civil litigation that benefits utility customers. For these reasons, the Law Court concluded the Commission's decision on appeal was not an adjudication on the merits of a dispute but rather represented the Commission's decision not to proceed to a formal adjudicatory action, and therefore the Law Court dismissed General Marine's appeal because it was not taken from final agency action.

### **Maine Coalition to Stop Smart Meters Appeal**

On February 28, 2019, CMP requested the Commission allow it to amend its terms and conditions of service to remove the obligation to provide electromechanical meters as an option for customers who choose to opt out of CMP's smart meter—or AMI—program. Instead, CMP would provide all opt-out customers with a non-communicating solid-state meter. The Commission approved CMP's request on June 22, 2022. The Maine Coalition to Stop Smart Meters (MCSSM) appealed the Commission's decision to the Law Court, alleging the Commission's Order was unlawful, arbitrary, and capricious. The Commission and MCSSM participated in oral argument before the Law Court on November 3, 2022. The Law Court affirmed the Commission's decision on January 24, 2023.

## 13. FISCAL INFORMATION

The Commission is required by 35-A M.R.S. §120 to report annually to the Joint Standing Committee on Energy, Utilities and Technology on its planned expenditures for the fiscal year and on its use of funds in the previous year. This section of the report fulfills this statutory requirement and provides additional information regarding the Commission's budget. All references in this section are to fiscal years, July 1 to June 30.

The Commission operates with two main programs and funds: The Emergency Services Communications Fund and the Regulatory Related Funds as detailed below.

### **The Emergency Services Communications Fund (E911)**

This fund had an unencumbered balance of \$10,131,464 and an encumbered balance of \$1,476,039 brought forward from FY2021. In FY2022 \$7,237,047 was expended. An unencumbered balance of \$10,121,675 and an encumbered balance of \$1,573,281 were brought forward to FY2023. The surcharge collected in FY2022 was \$5,969,928. The prepaid wireless fees collected in FY2022 were \$976,386.

### **PUC Regulatory Related Accounts**

#### **Regulatory Fund**

The authorized Regulatory Fund assessment for FY2022 was \$10,319,348. An unencumbered balance of \$2,865,307 and an encumbered balance of \$1,558,334 were brought forward from FY2021. The Commission spent \$10,183,147 in FY2022.

An unencumbered balance of \$3,461,988 and an encumbered balance of \$519,759 were brought forward to FY2023. The encumbered balances generally represent ongoing contracts.

#### **Reimbursement Fund**

In FY2022, the Commission collected \$500 in filing fees. Also, the Commission collected \$293 in copying fees and \$94,000 in fines. An unencumbered balance of \$1,339,256 and an encumbered balance of \$0 were brought forward from FY2021. During FY2022, \$128,078 was expended. An unencumbered balance of \$1,150,289 and an encumbered balance of \$155,681 were brought forward to FY2023. In October 2021, the Commission transferred \$250,000 to the Governor's Energy Office in accordance with Public Law 2021, Chapter 398 to fund one limited period position. A second transfer for \$250,000 for the same purpose took place in Fiscal Year 2023.

### **The Budget in Perspective**

In June 2022, the Legislature approved the Commission's biennial budget. Table 9 details the Commission's FY23 expenditure plan including position count, based on original work program.



**Table 9 - FY2023 Work Program**

<b>Regulatory Fund</b>	
Position Count	<b>66.5</b>
Personal Services	8,963,965
All Other	3,276,257
Capital	0
<b>Total</b>	<b>12,240,222</b>
<b>Commission Reimbursement Fund</b>	
All Other	<b>50,000</b>
<b>Commission Damage Prevention</b>	
Position Count	<b>0</b>
Personal Services	58,934
All Other	1,066
Capital	0
<b>Total</b>	<b>60,000</b>
<b>Oversight and Evaluation Fund</b>	
All Other	<b>252,660</b>
<b>Prepaid Wireless Fee Fund</b>	
All Other	<b>1,992,409</b>
<b>Emergency Services Comm. Bureau (E-911)</b>	
Position Count	<b>9</b>
Personal Services	1,014,673
All Other	6,273,992
Capital	0
<b>Total</b>	<b>7,288,665</b>

**The Regulatory Fund Assessment in Perspective**

Table 18 below details the most recent five years of Regulatory Fund assessments from Annual Reports filed by the utilities with the Commission. They include revenues for the previous year ending December 31. Calculations are made to determine what percentage of the revenues reported by regulated utilities will produce the amount authorized by statute. The derived factors that will raise the authorized amount are applied against the reported revenues of each utility.

Under 35-A M.R.S. § 116, on May 1 of each year the Commission sends an assessment notice to each utility with a July 1 due date. Funds derived from this assessment are used during the fiscal year beginning July 1. The total assessment for FY2022 was \$10,319,348.

Assessment breakdown by utility sector is described below in Table 10.

**Table 10 - Regulatory Fund Assessments for the Past Five Years**

Year	Electric Revenues	Telecom Revenues	Water Revenues	Gas Revenues	Water Carriers Revenues	Total Utilities Revenues	Amount Billed
2016	437,109,981	216,779,664	139,657,025	162,171,917	4,346,891	960,065,388	7,573,098
2017	425,200,389	210,006,436	145,601,635	139,015,634	5,418,336	925,242,160	7,573,098
2018	424,462,677	200,597,876	146,728,469	148,263,936	4,565,770	924,618,728	7,573,098
2019	432,019,555	198,012,954	173,111,963	172,002,568	6,037,222	981,184,262	8,957,718
2020	440,030,482	153,789,147	162,436,723	147,950,803	6,037,000	910,244,155	9,400,542
2021	477,075,093	152,582,462	168,297,639	176,426,217	5,420,783	979,802,194	10,319,348

**Table 11 – Total Assessment by Utility Sector**

Sector	Assessment
Electric	7,295,700
Telecommunications	752,971
Natural Gas	1,413,152
Water	856,588
Water Common Carrier	937
<b>Total</b>	<b>10,319,348</b>

## 14. COMMISSIONER BIOGRAPHIES

**Philip L. Bartlett II, J.D.**, was appointed to the Commission in June 2019 by Governor Janet Mills. Prior to his appointment, he practiced law with Scaccia, Bartlett & Chabot. He also served in the Maine Senate from 2004 to 2012 and was elected by his peers to serve as Senate Majority Leader from 2008 to 2010. Bartlett chaired the Energy, Utilities and Technology Committee as well as the Joint Select Committee on Maine's Energy Future and he served on the Government Oversight Committee, Natural Resources Committee and Labor Committee. He taught micro and macroeconomics at the collegiate level. Chair Bartlett holds a juris doctorate degree from Harvard Law School. He completed his undergraduate work at Tufts University, where he graduated Summa Cum Laude majoring in Economics and Political Science. His term expires in March 2025.

**Randall D. Davis** was appointed to the Commission in September 2017 by Governor Paul R. LePage. Prior to his appointment, he served as the area operations manager for energy at Sappi's Somerset Mill in Skowhegan, where he has worked since starting with the company in 1978. During his career at Sappi, he was promoted numerous times to management positions overseeing various aspects of the manufacturing process. Prior to his tenure at Sappi, Commissioner Davis was a systems engineer for Exxon Chemical working in New Jersey, Louisiana, Texas and England until his decision to return to Maine. Commissioner Davis graduated from the University of Maine in 1976 with a Bachelor of Science in Chemical Engineering. His term expires in March 2023.

**Patrick J. Scully, Esq.** was appointed to the Commission in June 2021 by Governor Janet Mills. Prior to his appointment, Scully was employed with Berstein Shur, where he spent his 36-year career as a municipal, energy and utility regulatory attorney. He was named CEO of the firm in January 2014 and retired at the end of 2019. He has a BA degree from Dartmouth College with a major in Biology and Environmental Studies and he earned his JD degree, magna cum laude, from the University of Maine School of Law. He is recognized by Best Lawyers in America and Chambers USA for his energy law and administrative law work and is AV-rated by Martindale-Hubbell. His term expires in March 2027.

# 15. PAST COMMISSIONERS

## 1915 – 2021

* Benjamin F. Cleaves	1915-1919	Cheryl Harrington	1982-1991
William B. Skelton	1915-1919	* David Moskowitz	1984-1989
Charles W. Mullen	1915-1916	* Kenneth Gordon	1988-1993
John E. Bunker	1917-1917	Elizabeth Paine	1989-1995
Herbert W. Trafton	1918-1936	Heather F. Hunt	1995-1998
* Charles E. Gurney	1921-1927	William M. Nugent	1991-2003
Albert Greenlaw	1924-1933	* Thomas L. Welch	1993-2005
* Albert J. Stearns	1928-1934		2011-2014
Edward Chase	1934-1940	Stephen L. Diamond	1998-2006
* Frank E. Southard	1935-1953	* Sharon M. Reishus	2003-2010
C. Carroll Blaisdell	1937-1941	* Kurt Adams	2005-2008
James L. Boyle	1941-1947	Vendean Vafiades	2007-2012
George E. Hill	1942-1953	* Jack Cashman	2008-2011
Edgar F. Corliss	1948-1954	David P. Littell	2010-2015
* Sumner T. Pike	1954-1955	Carlisle J.T. McLean	2015-2017
Frederick N. Allen	1954-1967	* Mark A. Vannoy	2012-2019
Richard J. McMahon	1955-1961	R. Bruce Williamson	2015-2021
* Thomas E. Delahanty	1955-1958		
* David M. Marshall	1958-1969		
* Earle M. Hillman	1962-1968		
* John G. Feehan	1968-1977		
Leslie H. Stanley	1970-1976		
* Peter Bradford	1971-1977		
	1982-1987		
Lincoln Smith	1975-1982		
* Ralph H. Gelder	1977-1983		
Diantha A. Carrigan	1977-1982		

\* Denotes Chair

## 15. Recently Retired Commission Staff

The Commission would like to thank these dedicated employees for their service to the State and to the Commission.

<b>Name</b>	<b>Title</b>	<b>State Service</b>	<b>Commission Years</b>
Laurie Latendresse	Staff Accountant	28 years	15 years
Gary Kenny	Utility Analyst	12 years	12 years
Chris Cook	Utility Analyst	12 years	12 years
Pamela Emmons	Utility Analyst	5 years	5 years
Jamie Waterbury	Office Specialist II	37 years	12 years
Faith Huntington	Dir, Electric & Gas Div.	40 years	40 years
Sharon Nelson	Accounting Assistant Tech	8 years	8 years
Denis Bergeron	Utility Analyst	35 years	35 years