

April 09, 2015

PUBLIC UTILITIES COMMISSION
Implementation of an Arrearage
Management Program (Ch. 317)

ORDER ADOPTING RULE
AND STATEMENT OF
FACTUAL AND POLICY
BASIS

VANNOY, Chairman; LITTELL and McLEAN, Commissioners

I. SUMMARY

Through this Order, we adopt a new rule, Chapter 317, that sets forth requirements and procedures related to the implementation of P.L. 2013, ch. 556, “An Act to Assist Electric Utility Ratepayers” (Act). The Act requires that all transmission and distribution (T&D) utilities create and administer an Arrearage Management Program.

II. BACKGROUND

The Act directs each T&D utility in the State to implement an Arrearage Management Program (AMP) to assist eligible low-income residential customers who are in arrears on their electricity bills. The Act defines an AMP as a plan, “under which a transmission and distribution utility works with an eligible low-income residential customer to establish an affordable payment plan and provide credit to that customer toward the customer’s accumulated arrears as long as that customer remains in compliance with the terms of the program.” The Act also instructed the Commission to establish requirements related to the implementation of AMP program by rule.

On May 28, 2014, the Commission initiated an Inquiry to gather data concerning the issues and opportunities with a variety of potential AMP design elements in advance of the upcoming rulemaking. *Notice of inquiry into the Design of an Arrearage Management Program for Residential Electric Customers*, Docket No. 2014-00142 (May 28, 2014).

During the Inquiry, the Commission received comments from the following interested persons: Central Maine Power Company, Emera Maine, Eastern Maine Electric Cooperative, Houlton Water Company, Kennebunk Light and Power, Madison Electric Works, Van Buren Light and Power, the Office of the Public Advocate, Efficiency Maine Trust, AARP, Maine Community Action Association, National Consumer Law Center and Maine Equal Justice Partners. The Commission also held a workshop on October 29, 2014 to discuss the coordination of the electricity usage assessment and the complementary energy efficiency program between the utilities and the Efficiency Maine Trust.

An additional meeting was held at the Efficiency Maine Trust on November 20, 2014 to further discuss coordination of the electricity assessment and low income energy efficiency components of the AMP. The attached final rule incorporates the comments and input received through the Inquiry.

In accordance with the Act, the Commission issued a Notice of Rulemaking (NOR) on February 4, 2015. Pursuant to the procedures set forth in 5 M.R.S. § 8051-806,4 a public hearing was held on March 2, 2015 and written comments were accepted until March 13, 2015. Comments were received from a group comprised of the Office of the Public Advocate (OPA), AARP, Maine Community Action Association and Maine Equal Justice Partners (Joint Commenters), as well as, Central Maine Power Company (CMP), Eastern Maine Electric Cooperative (EMEC), Emera Maine (Emera) and Efficiency Maine Trust (EMT).

III. ADOPTED RULE PROVISIONS, DISCUSSION AND DECISION

1. Section 1: General Provisions and Definitions

A. Scope of Rule

As required by the Act, the AMP requirements apply to all T&D Utilities in the State, including both investor- owned utilities and consumer- owned utilities. We asked in the Inquiry if all transmission and distribution utilities, both investor-owned and consumer-owned, should be required to offer an AMP. During the Inquiry, most commenters stated that the rule should apply to all T&D Utilities and that the Act did not provide any exceptions regarding participation by the T&D Utilities.

B. Purpose of Rule

Section 1 explains the purpose of the AMP, which is to assist eligible residential customers who have fallen significantly behind on their electricity bills as long as the customer remains in compliance with the terms of the program.

C. Definitions

Section 1(C) sets forth definitions of various terms use in the final rule.

Based on several comments received, the Commission has added a definition for “Applicant” to provide clarity on program eligibility. EMEC, for example, requested that the final rule specify an amount of time between when the then customer (and now applicant) was disconnected and the start of the AMP. CMP also requested that these definitions be included and match those utilized in in Chapter 815, to provide clarity on the requirements of Section 3(C). As discussed further below in Section 3(C), definitions of “Applicant” and “Special Payment Arrangement” have been added.

The final rule defines "Arrearage Amount" as an amount of a transmission and distribution customer's bill that is past due at the time of an eligible customer's enrollment in an AMP. This amount includes charges associated with transmission and distribution service and standard offer service. This amount does not include CEP charges.

As stated in the Notice of Rulemaking, there are two points regarding this definition. First, it specifies that the arrearage amount eligible for forgiveness through an AMP is the amount past due at the time the customer enrolls in the AMP. Any arrearage that accumulates after this point in time is not eligible for forgiveness. The second point is that the arrearage amount includes only T&D utility and standard offer charges. CEP charges are not eligible for forgiveness through an AMP.

The Joint Commenters raised a concern that the CEP customers may be confused upon learning that payment arrangements do not cover the amount owed to a CEP and that at a minimum it is essential that AMP participants understand what electricity related debts are and are not covered by the AMP when they opt into the program. The Commission agrees and requests that all T&D utilities incorporate information regarding CEP bills into their marketing materials related to their AMP programs. In addition, the Commission has clarified the definition of Arrearage Amount to further clarify the treatment of CEP charges.

In the NOR, the Commission sought comment on the appropriate default provisions for the final rule. Based on comments received from all parties, the Commission has added a sentence to the definition of "Default" to provide clarity that each instance of a missed monthly payment represents a discreet event of default under the AMP.

Finally, the Joint Commenters raised a question about the interaction of the AMP with winter payment and other special payment arrangements. The new definition of "Special Payment Arrangement" seeks to coordinate the use of special payment arrangements under the AMP with the guidelines set forth in Section 9 of Chapter 815. This addition is further discussed in Section 3(C) below.

2. Section 2: Creation and Implementation of AMPs

The final rule states that all T&D utilities in the State must submit term and conditions for their AMPs to the Commission for its review and approval no later than May 15, 2015. AMP's will go into effect on October 1, 2015.

3. Section 3: Required Design Features of an AMP

Section 3 establishes the general program structure and required features for all AMPs. The general structure is that a customer's total amount in arrearage may be

forgiven over time, assuming on-time payment by the customer of its regular monthly bill.

A. Eligibility Criteria (Section 3(A))

The final rule specifies the components of eligibility are as follows:

1. Must be or has applied to be a residential electricity customer;
2. Must be eligible for LIHEAP in the State of Maine;
3. Must have a past due balance of at least \$500 that is over 90 days past due; and
4. May not have previously participated, withdrawn or be currently in default of an AMP.

Some commenters recommended that this definition be expanded to include other means-tested programs such as food stamps and Medicare. However, most stakeholders agreed that maintaining a single standard of eligibility (LIHEAP) for all utility low income programs would minimize the administrative burden of the T&D utilities and Community Action Program (CAPs) associated with the enrollment process. We agree with the majority of commenters that retaining LIHEAP as the single standard for eligibility will minimize the administrative burden of the T&D utilities and CAPs associated with the enrollment process. Minimizing administrative burden; however, is not necessarily a central or critical consideration in providing an effective AMP and there is potentially a larger eligible pool of ratepayers with need that could be identified. In consideration that the Commission has not fully examined the universe of other means tested programs for suitability and in order to get the AMP in place, we move forward with utilizing LIHEAP eligibility as the single standard. This approach is especially appropriate in recognition that the program is slated to sunset in September of 2018. At some point in the future on the motion of a party or if legislation is enacted that extends the program, we can further consider this issue.

In the final rule, the Commission has added clarification on reinstatement after default to this section.

B. Administration (Section 3(B))

The final rules states that each T&D utility will be responsible for administering its own AMP with oversight by the Commission. AMP Administration, as further described in the T&D Obligation provisions (Section 4 of the final rule), includes specific program design features, customer eligibility certification, benefit determination, coordination with EMT and other administrative duties necessary to carry out the intent of the Act.

C. Required Provisions (Section 3(C))

Section 3(C) sets forth provisions that will be required in all AMPs, including bill payment requirements for participants, forgiveness limits and the availability of an electricity usage assessment at no charge to the participant.

The intent of the program is to establish a repayment timetable so that, for a majority of participants, the full arrearage amount is paid off over a 12 month period. Commenters recommended that the AMP be structured to allow for the complete forgiveness of arrearages for the majority of participants within 12 months with on-time bill payments. This is consistent with the goal to structure the program so that arrearage is forgiven in such a way as to incentivize improved bill payment behaviors.

The final rule allows residential applicants for service who qualify for the AMP at the time they apply for service to apply to participate in the T&D utility's AMP prior to the actual provision of service. In these situations, if the applicant is approved to participate in the T&D utility's AMP, the utility must allow the applicant to pay any applicable reconnection and deposit fees and may require the applicant to pay up to 10% of the applicant's arrearage amount or \$500, whichever amount is less, as a prerequisite for receiving service and participating in the AMP. Once the applicant pays this amount, the T&D utility will provide service to the customer and enroll the customer in its AMP. If the applicant fails to pay this amount, the utility may require the applicant to pay the amount necessary to receive service as allowed by Chapter 815 of the Commission's rules as a prerequisite for receiving service.

In response to the Joint Commenters concern over coordination with winter and other special payment arrangements, the Commission added additional language to Section 3 (C)(2) to clarify that a customer participating in an AMP may elect to enter an SPA during the winter period pursuant to the requirements of Chapter 815, pay the monthly amount due under the SPA (which may be less the total current amount due), and continue to participate in the AMP. However, in these situations, the customer must continue with the terms of the SPA during the summer period, when he/she may actually pay more than their current amount due each month, and will not be eligible to receive additional forgiveness pursuant to section 3(D). In instances where a customer who is on a SPA during the summer period and elects to participate in an AMP, the SPA will be eliminated (if desired by the customer) and the customer instead will be required to pay the current amount due each month to participate in the AMP.

Under the AMP, forgiveness will be applied to the arrearage amount in monthly amounts equal to one-twelfth of the participant's arrearage amount at the time of enrollment, each time a customer pays the current amount due on time up to a maximum of \$300 a month until either: (i) a program participant defaults; (ii) 12 monthly forgiveness applications are made; or (iii) the arrearage amount has been fully forgiven. The Commission used arrearage information provided by CMP to establish the \$300 monthly cap, which is the level at which for most customers the arrearage would be forgiven in full. Those customers with arrearages of more than \$3600 may reapply to the program after the successful completion of a full year.

Although the rule provides that the amount of forgiveness will be capped at \$300 a month or \$3600 a year, it also allows for consumer owned utilities (COUs) to request a lower monthly cap. Any such request must demonstrate a good cause for the lower cap. In their comments, EMEC requested a lower cap be adopted for COUs because the majority of its customers who are in arrears on their bills owe significantly less than the \$3600 annual cap amount proposed in the rulemaking. We find that the formula for determining the monthly payment forgiveness amount, i.e., one twelve the arrearage amount, will address EMECs concern. Further, if any COU believes that the \$300 cap is not appropriate for its customers, it may seek a lower cap when it files its proposed terms and conditions. The Commission will review such requests on a case by case basis.

D. Incentives (Section 3(D))

The final rule provides that, subject to Commission approval, T&D utilities may propose AMP design features and provisions that provide additional incentives for improved and sustained customer bill payment performance and electricity usage reductions. The purpose of this provision is to encourage each T&D utility to be creative in tailoring programs which will most benefit their customers within the scope of the AMP. For example, it may be advantageous to allow customers who are currently enrolled in payment arrangements to remain on those arrangements and receive additional forgiveness (above the cap) in exchange for paying more each month than the current amount due. As noted above, although customer's participating in SPAs are eligible for participation in an AMP, they would not be eligible to remain in the SPA and to take advantage of any additional incentive program adopted by a T&D utility.

E. Enrollment Process (Section 3(E))

The final rule states that enrollment may occur at any point during the AMP year (October 1 - September 30 of the following year). Customers must affirmatively enroll in an AMP through either a CAP agency or the T&D utility and may not be enrolled without authorization. Experience in other states with similar programs indicates that affirmative choice and voluntary enrollment by customers leads to higher success rates and is more in keeping with the Program's goal of encouraging improved payment patterns beyond the completion of the Program.

The AMP year is designed to track the LIHEAP administrative year and the commencement of the program in October of 2015. The LIHEAP application process generally begins in July for an upcoming LIHEAP year and runs through the next April. Once a customer is eligible for LIHEAP and enrolled in an AMP, the customer is entitled to twelve months of participation in that AMP, barring a default. If that customer wished to reapply for a second year in the AMP, he/she would need to re-establish LIHEAP eligibility before their application for AMP participation could be approved.

The Joint Commenters stated that CAP agencies take LIHEAP applications from August 15 through April 15 and this practice may prevent customers who otherwise

would be eligible for an AMP from participating because their eligibility cannot be determined outside this timeframe. The Joint Commenters therefore recommended that the Commission take steps to ensure that eligibility determinations can be made year-round. We share the Joint Commenters concern; however, we are reluctant, if not unable, to implement requirements on the way CAP agencies accept and process LIHEAP applications. It is our understanding that some CAPs in the state will process LIHEAP applications throughout the year if requested to do so by a client. Further, in the Commission's experience, this has not been a problem with other year round programs which are also keyed to LIHEAP, such as the Low Income Assistance Program or the Oxygen Pump and Ventilator Program. Regardless, the Commission encourages all CAPs to develop a process that allows LIHEAP applications related to the AMP that are submitted during the April to July period to be processed to ensure that otherwise eligible customers are not excluded from an AMP due to the timing of their application.

Appendix A to the final rule contains a revised Standard Intake Form, as revised in response to comments. The Commission intends this form to be used to enroll eligible customers in a T&D utility's AMP, as well as to aid in the intake and efficient delivery of information to the EMT to enable the EMT to complete the electricity usage assessment anticipated by the Act, and further discussed below. The Commission envisions that T&D utilities may, as part of their filings regarding program adoption, propose alternative intake measures based on their specific information technology or existing CAP arrangements, but that the Standard Intake Form would be the default mechanism in the absence of a Commission approved alternative.

In the NOR, the Commission sought comment on the content and advantages and disadvantages of using a standardized form. Specifically, did the proposed form collect the necessary information needed by: 1) T&D utilities to properly identify and enroll customers in an AMP; and 2) the EMT to complete the electricity usage assessment?

Commenters were generally supportive of the standardized form. EMT proposed specific revisions to the form, including the removal of the social security number space. These changes have been incorporated into the final standardized form attached hereto. CMP requested that the Commission allow for alternative enrollment processes to allow T&D Utilities to take advantage of existing technology and procedures. The final rule does allow for this flexibility.

Under the final rule, enrollment can occur in two ways. First, the T&D utility may complete the enrollment form in its entirety with the eligible customer and enroll the customer in its AMP. Alternatively, a customer may complete specified portions of the enrollment form with the assistance of the CAP agency. Under the second process, the CAP will be responsible for completing sections 1 through 3 of the enrollment form and then forwarding the form to the applicable T&D utility to complete section 4 of the form and enroll the customer in its AMP. Once the enrollment process is complete, the T&D utility will forward the completed enrollment form to the EMT.

F. Fees and Down Payments Prohibited (Section 3(F))

Under the program structure articulated in the final rule, customers may not be charged any additional administrative fees or be required to make a down payment on any arrearage amount as a condition of enrollment in an AMP.

G. Default (Section 3(G))

Section 3(G) of the final rule addresses default under an AMP. Program participants who do not make a required monthly payment by the due date will be deemed to be in default. Although program participants who are in default will not receive further benefits under the program unless reinstated pursuant section (I) below, arrearage amounts previously forgiven prior to default will not be reinstated. Once in default, a customer is subject to collection activities or disconnection pursuant the T&D utility's terms and conditions, Commission rules and State law.

H. Voluntary Withdrawal (Section 3(H))

Section 3(H) addresses voluntary withdrawal. Under the final rule, program participants may withdraw from the AMP at any time. Such withdrawal will, however, disqualify a customer from future participation.

I. Reinstatement after Default (Section 3(I))

Section 3(I) of the final rule contains provisions for reinstatement in the program after a default. Reinstatement of a participant who has defaulted may occur if the participant pays in full the missed payment and any associated late payment fees. Upon reinstatement, arrearage credits will be applied for each full monthly payment made by the Program Participant as if the program participant had not defaulted.

Multiple commenters provided feedback on the Commission's request in the NOR regarding the appropriate treatment of reinstatements after a default. Feedback ranged from CMP requesting no reinstatement after a default to the Joint Commenters who proposed that each T&D utility be provided the flexibility to propose default remedy provisions in their terms and conditions filing. Emera Maine and EMEC suggested that reinstatement be limited to two instances of default. The Commission concurs that limiting the availability of reinstatement to two instances of default balances the flexibility of allowing customers to rejoin the program in the event of a default event while maintaining the program's goal of developing improved bill payment habits. Accordingly Section 3(I) has been amended to limit reinstatement to two instances of default.¹

¹ According to the revised definition of Default, each instance of a missed monthly payment constitutes an instance of default; thus, a Customer who misses one month's payment for two consecutive months or misses one month's payment twice are viewed similarly under this provision.

J. Energy Efficiency (Section 3(J))

Under the final rule and Act, AMPs must include an electricity usage assessment and require participants to agree to accept energy management measures and programs offered at no cost by the participant's T&D utility, EMT, or the MSHA to the extent such acceptance is within the participant's control. Efficient coordination with EMT will be integral to the overall success of the program, as such the final rule would require all T&D utilities to submit proposals for how this coordination will occur as part of their terms and conditions filing with the Commission, as further discussed in section 5 below.

K. Term of the AMP (Section 3(K))

Under the final rule, the term of the AMPs required under this Chapter shall be from October 1, 2015 through September 29, 2018. The Act is repealed as of September 30, 2018. No new program participants will be enrolled after this date. Customers enrolled in an AMP prior to September 30 of 2018 will be allowed to receive their full 12 months of forgiveness, provided they fully comply with the requirements of their respective AMP. .

L. Continuing Applicability of Chapter 815 (Section 3(L))

Section 3(L) establishes that except as specifically varied by this Chapter or by terms and conditions approved by the Commission, the provisions of Chapter 815 shall continue to apply.

CMP and EMEC raised concerns about the interaction of the final rule and Chapter 815. In response, the Commission has added certain language; specifically, the definitions of "Applicant" and "Special Payment Arrangement" that should add further clarify the interaction of the two Chapters.

4. Section 4: Obligations of Transmission and Distribution Utilities

Each T&D utility in the State will have certain obligations with respect to administering the AMP.

A. Notice to Customers (Section 4(A))

One of the concerns raised in the Inquiry and in response to the NOR was the need to design the AMP in such a way as to avoid creating an incentive for customers that can and are paying their bills to stop paying in order to take advantage of the AMP. To address this concern, the final rule does not require general notice of the AMP's existence be provided to customers. Instead, the final rule requires specific notice be provided to only customers that meet the arrearage criteria, i.e., have an arrearage amount that is at least \$500 and 90 days old. As stated in the NOR, although

experience in other states has not revealed such “gaming” to be a significant issue, the Commission views targeted notification of the program's existence to be the preferable notification approach.

Multiple commenters expressed concern with the notice requirements included in the final rule. Emera Maine asked for clarification regarding how they would be able to identify Eligible Customers on the day the rule takes effect in light of the fact that it will not necessarily know what customers are eligible for LIHEAP. Emera Maine also expressed concern that it would have difficulties providing notice to customers who become eligible for the AMP within one billing cycle as proposed in the rule. Finally, Emera Maine asked that notice be required to Eligible Customers only once.

In light of these comments, the Commission has added language to clarify the notification process. Specifically, Section 4(A)2 has been amended to allow for notice to be provided to customers who become eligible for the AMP within two billing cycles and to make recurring notice to customer's at the discretion of the T&D utility. In addition, the final rule requires each T&D utility to initially notify all of its existing residential customers that meet the arrearage amount eligibility criteria on the date the rule becomes effective about the availability of the AMP and, on an ongoing basis throughout the duration of the AMP, notify each residential customer who reaches the \$500 and 90 day arrearage criteria of the availability of the AMP. T&D utilities do not need to identify whether or not a customer that meets the arrearage amount eligibility criteria is also LIHEAP eligible. It is the customer's responsibility to document LIHEAP eligibility or to apply for LIHEAP.

B. Coordination with Community Action Programs (Section 4(B))

The Commission envisions that the State's CAPs will be important partners in the success of the AMP. Accordingly, the final rule requires that all T&D utilities coordinate with the appropriate CAPs to ensure that eligible customers are made aware of the AMP when enrolling in LIHEAP or seeking related assistance and provided the opportunity to begin the AMP enrollment process. The Commission sought comment on the process in the rule and how much flexibility T&D utilities should have to negotiate alternative enrollment procedures with the CAPs. CMP commented that utilities should be allowed to negotiate alternative enrollment procedures with the CAPs and Efficiency Maine but is not proposing any changes to the language in the final rule. The Commission sees this flexibility as existing in the language of the final rule.

C. Customer Billing (Section 4(C))

Section 4(C) of the final rule describes the requirements for providing program participants with updates on their progress through the AMP including the inclusion of arrearage amount remaining and cumulative amount of arrearage forgiven on either the customer's bill or on a bill insert. Based on a variety of comments received on the diverse billing systems utilized by T&D utilities, we revised this section in the final rule to

allow T&D utilities to specify in their terms and conditions filing how they will comply with this provision.

D. Collection Activity Prohibited (Section 4(D))

Under the final rule, collection activities are prohibited while a customer is in good standing as a program participant in an AMP. Section 4(D) states that T&D utilities shall not attempt to collect an Arrearage Amount from a Program Participant while the Program Participant is enrolled in an AMP. If a Program Participant defaults or withdraws from an AMP, a T&D utility may reinstate the remaining arrearage amounts to the customer's bill and resume normal collection activity. Any arrearage amount forgiven pursuant to this Chapter, however, prior to a Program Participant's default cannot be reinstated to the customer's bill. The Commission has clarified this language in the final rule to make explicit that normal collection activities may resume for all Arrearage Amounts not previously forgiven upon an event of default or the withdrawal of a Program Participant.

E. Electricity Usage Assessment (Section 4(E))

Section 4(E) of the final rule sets forth the T&D utility's obligation with regard to the electricity usage assessment, including what information the utility must collect if not using the Standard Intake Form. In the absence of a Commission approved alternative, the usage assessment information to be collected has been consolidated into the Standard Intake Form, as revised, to maximize efficiency in administering the program. Language changes requested by EMT have been incorporated into this section to clarify the exchange of information between the T&D utilities and EMT.

Pursuant to the final rule, the information that should be supplied to EMT is:

1. The Eligible Customer's monthly electricity usage;
2. The Eligible Customer's heating source;
3. Information on the Eligible Customer's hot water heater including fuel source and, if possible, model and age;
4. Information regarding the Eligible Customer's use of electrical appliances and incandescent lighting;
5. Information on the Eligible Customer's previous participation with the EMT or other weatherization or energy efficiency programs, if any; and
6. Whether the Eligible Customer owns or rents their home.

F. Coordination with Efficiency Maine Trust (Section 4(F))

Section 4(F) addresses the coordination between the T&D utilities and EMT. Under the final rule, the T&D utility shall have an obligation to provide the Standard Intake Form or the information required by the form to the EMT by a mutually agreed upon method so that the EMT may complete the usage assessment in a timely fashion upon the enrollment of a eligible customer. In submitting its final AMP for Commission approval, each T&D utility shall propose specific approaches for coordination with the EMT as required by this section.

Each T&D utility will be responsible for the collection of the information necessary for EMT to complete the electricity usage assessment. The T&D utility will also be responsible for coordinating the mechanism by which the information will be transmitted to EMT. The final rule does not prescribe the manner in which the electricity usage assessment will be completed by EMT. Language changes requested by EMT have been incorporated into this section to clarify the exchange of information between the T&D utilities and EMT.

G. Reporting (Section 4(G))

Section 4(G) of the final rule contains the requirements for annual reports on the AMP programs by the T&D utilities. Each T&D Utility shall file a report with the Commission within 30 days of the closing of each quarter that includes specified minimum information.

Based on comments received in response to the NOR, the Commission has added the following items to Section 4(G):

“2. The total number of Eligible Customers as defined by section 1(C)(12) of this chapter in the utility’s service territory as of the last day of the quarter.”

“9. The same chart required in subsection 8 above that depicts all Eligible Customers as defined by section 1(C)(12) of this chapter in the utility’s service territory that did not participate in the AMP as of the last day of the quarter.”

H. Tracking Metrics (Section 4(H))

Section 4(H) sets out the additional metrics that T&D utilities must collect to enable the Commission to evaluate the effectiveness of the AMP in terms of improved customer payment performance and electricity usage reductions. The metrics will specifically allow the Commission to evaluate the effectiveness of the AMP in terms of improved customer payment performance and electricity usage reductions and to collect the information required by the Act. This information is not being collected for cost recovery purposes for the utilities. It is incumbent upon each T&D utility to properly document and track information necessary to justify any costs it seeks to recover

through Section 5, this requirement is separate and distinct from the information the Commission is seeking under Section 4(H).

5. Section 5. Cost Recovery

As required by section 2-A (E) of the Act, the final rule specifies that a T&D utility may recover in rates all costs of its AMP, including incremental costs, reconnection fees and administrative and marketing costs, *but not including the amount of any arrearage forgiven that is treated as bad debt for purposes of cost recovery by the T&D Utility.*

We stated in the NOR that we believed that this language is intended to limit the recovery of arrearage amounts forgiven to only those amounts that are not already included as "bad debt" in a utility's rates.² We sought comment in the NOR regarding our interpretation of this language. All of the commenters agreed with the Commission's interpretation of the Act. The Joint Commenters noted that, "(t)he intent of the language (in the Act) was to ensure that utilities did not recover for amounts forgiven under an AMP if those amounts are already included in the utility's bad debt ratio."

Because of this lack of clarity discussed above, the final rule does not specifically address how cost recovery will occur. It is anticipated that T&D utilities will seek recovery of their costs through individual rate proceedings and as stated above, it is incumbent upon each T&D utility to properly document costs associated with its AMP for which it will seek reimbursement.

6. Section 6. Waiver

This section inserts the Commission's standard waiver provisions.

In light of the foregoing, we

O R D E R

1. That the Administrative Director shall file the rule and related materials with the Secretary of State.
2. That the Administrative Director shall notify the following of the rule's adoption:
 - a. all electric T&D Utilities in Maine; and
 - b. all parties that filed comments in the Inquiry, Docket No. 2014-00142

² In general, a "bad debt ratio" is the ratio of the amount of revenue written off a utility's books as "uncollectible" to the utility's total billed revenue for the same time period.

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 11(D) of the Commission's Rules of Practice and Procedure (65-407 C.M.R. 110) within **20** days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought. Any petition not granted within **20** days from the date of filing is denied.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within **21** days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.