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STATE OF MAINE
PUBLIC ADVOCATE OFFICE

ANNUAL REPORT
JULY 1, 2002 TO JUNE 30, 2003



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STEPHEN G. WARD
PUBLIC ADVOCATE

August 15, 2003

Senator Christopher Hall, Senate Chair
Representative Lawrence Bliss, House Chair
Joint Committee on Utilities and Energy
121st Maine Legislature
2 State House Station
Augusta, ME 04333-0002

Dear Senator Hall and Representative Bliss:

As required by 35-A M.R.S.A. § 1702(6), the Public Advocate each year provides to the Committee, legislative leaders and to the Governor an annual report summarizing the office's activities over the prior fiscal year. Enclosed please find the Annual Report of the Office of the Public Advocate for the year ending June 30, 2003.

I hope you will find the 2002-2003 Annual Report informative and useful. Please do not hesitate to call me with any questions or suggestions triggered by your review of the Annual Report.

Sincerely,

Stephen G. Ward

cc: Governor John Elias Baldacci
Dick Davies, Governor's Office
Laurie Lachance, SPO
Rep. Philip A. Cressey, Jr.
Rep. Kenneth C. Fletcher
Rep. Jacqueline A. Lundeen
Rep. Maitland E. Richardson
Honorable Beverly Daggett
Jon Clark, OPLA

Sen. Lynn Bromley
Sen. Edward M. Youngblood
Rep. Herbert Adams
Rep. Donald P. Berry, Sr.
Rep. Albion D. Goodwin
Rep. Stanley A. Moody
Rep. Peter L. Rines
Honorable Patrick Colwell
Beth Nagusky, Governor's Office



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TABLE OF CONTENTS

	<u>Page</u>
A. Advocating for Utility Consumers in Maine Since 1982 -----	1
B. Dealing with Customer Complaints, Consumer Education at the Legislature-----	6
C. Savings for Ratepayers in 2002-2003-----	8
D. Summary of Major Cases -----	9
Attachment 1: Summary of Ratepayer Savings, 1982 to 2003 -----	16
Attachment 2: Water Rate Cases – FY 03 -----	20
Attachment 3: July 2002 through June 2003 Newsletters -----	21
Attachment 4: Performance Indicators – Customer contacts -----	22
Attachment 5: Summary – Legislation, 121 st Legislature -----	23
Attachment 6: Speaking Engagements – FY 03 -----	33
Attachment 7: Coalition Memberships -----	35
Attachment 8: Public Advocate Staffing Summary -----	36

A. Advocating for Utility Consumers in Maine Since 1982

The Public Advocate Office began operations in 1982 in order to give consumers their own voice in utility-related proceedings at the Public Utilities Commission, at the Legislature, at federal agencies and in State courts. In more than twenty years, the office has pressed for lower utility bills for consumers and improved quality of service from utilities. These twin objectives have not changed materially over the years, but the settings in which the Office's personnel operate have changed considerably and the tasks we perform have also evolved.

In the year completed in June 2003, the Office continued to expand its focus from in-state proceedings at the Maine Public Utilities Commission (PUC) and at Maine's Legislature to regional settings like New England's electric grid operator, ISO-New England, New England's Power Pool, NEPOOL, and – in Washington DC – the Federal Regulatory Commission and the Federal Communications Commission. This continues a trend in pursuing opportunities for lowered prices for electricity or telecommunications in service that, increasingly in recent years, has taken Office staff out of Maine. The following figures capture this trend in the three most recent fiscal years.

	2001	2002	2003
A. federal/regional advocacy % of staff direct time	6%	13%	17%
B. Maine-based in-state advocacy % of staff direct time	94%	87%	83%

The shift from the regulation of monopolies to the interaction of market forces often carries with it as much disruption as promise for many retail consumers in Maine. However, it unquestionably has compelled the Public Advocate Office to pursue opportunities outside of Maine's borders for ratepayer savings or improvements in service to Maine consumers.

Public Advocate Ward continues to serve as a member of ISO-New England's Advisory Committee, of the North American Electric Reliability Council (NERC) and its Market Interface Committee and on the Executive Committee of the National Association of State Utility Consumer Advocates (NASUCA) - the national lobbying arm for 44 consumer advocate agencies in 41 states and the District of Columbia. The Office also has secured Maine's membership on the Retail Electric Quadrant of the North American Energy Standards Board (NAESB), the fledgling standard-setting body for commercial protocols in the nation's energy markets. Senior Office Staff also have pursued important roles beyond Maine's borders. Senior Counsel Wayne Jortner serves as Treasurer for the Universal Service Administrative Corporation (USAC), overseeing the collection and allocation of FCC-approved surcharges supporting low-

income, telemedicine, library Internet and related federal programs. During 2002-03 Senior Counsel Eric Bryant has been an active participant in the New England Demand Response Initiative (NEDRI), a collaborative effort involving PUC Commissioners, electric industry representatives, environmentalists and proponents of energy conservation in regional wholesale power markets.

Regional and National Meetings and Conferences
July 1, 2002 to June 30, 2003

1. **Federal Energy Regulatory Commission** (Washington, DC)
 March 14 and June 3: Steve Ward
2. **Federal Communication Commission** (Washington, DC)
 March 13: Steve Ward
3. **NEPOOL Participants Committee meetings** (various locations)
 August 8 and 9, September 6 and 11, October 4 and 18, November 1, December 6,
 January 10 and 17, February 5 and 7, March 7: Eric Bryant, Linda Lockhart and
 Julie Hashem (the latter under contract with the OPA)
4. **New England Demand Response Initiative** (various locations)
 July 2, September 10 and 26, October 8, November 18, December 10, January 14,
 February 10, March 18, April 8, May 8: Eric Bryant, Linda Lockhart and Steve
 Ward
5. **Northern Maine Independent System Administrator** (Bangor and Presque Isle)
 August 20, October 22, December 10, February 18, February 27, April 15: Eric
 Bryant, Linda Lockhart and Steve Ward
6. **ISO-New England and Regional FERC meetings** (Boston and various locations)
 August 23 and 29, September 13, 25 and 26, November 21, January 17 and 24,
 February 11, May 6 and 20: Steve Ward, Eric Bryant and Linda Lockhart
7. **North American Electricity Reliability Council/North American Energy Standards
 Board** (Houston and New Orleans)
 September 4-6, February 18-19: Steve Ward
8. **National Association of State Utility Consumer Advocates** (Chicago, Portland, OR)
 November 10-14, June 8-11: Steve Ward, Patty Moody, Mary Campbell, Ron
 Norton, Linda Lockhart
9. **Universal Service Administrative Corporation** (Washington, DC)
 October 21-23, January 20-22, April 23-25: Wayne Jortner
10. **New England Conference of Public Utility Commissioners** (various locations)
 August 8, June 10: Eric Bryant, Wayne Jortner
11. **Miscellaneous**
Ron Norton: Energy Training, Calgary, Alberta – February 23-24, 2003
 CECA, Washington, DC – April 23-25, 2003
Steve Ward: Energy Foundation, San Francisco, CA – April 23-24, 2003
 IECG meeting, Boston – November 21-22, 2003

This shift in settings for an important portion of our advocacy reflects the fragility of New England's experiment with deregulated electricity sales and the increasing availability of unregulated alternatives to landline telephone service. It is not yet clear whether these experiments in privatized electricity supply and unregulated telecommunications will develop the predictability that characterizes well-functioning markets. In particular, there is considerable uncertainty about the prices that will become available in March 2005 for residential and small business Standard Offer Service when the current three-year contracts expire in CMP's and Bangor Hydro's territories. As a general matter, CMP's residential customers who currently pay 11.6¢ per kWh are substantially better off than they were prior to electricity restructuring in 2000 when they were paying 13.1¢ per kWh. However, it is by no means clear whether these savings will persist into 2005 and 2006 when the current Standard Offer contracts expire. Prior to that date, the Legislature will be reviewing recommendations from the PUC, from our Office and other parties as how best to mitigate the potential volatility of Standard Offer rates in the future and still preserve an affordable supply of Standard Offer electricity.

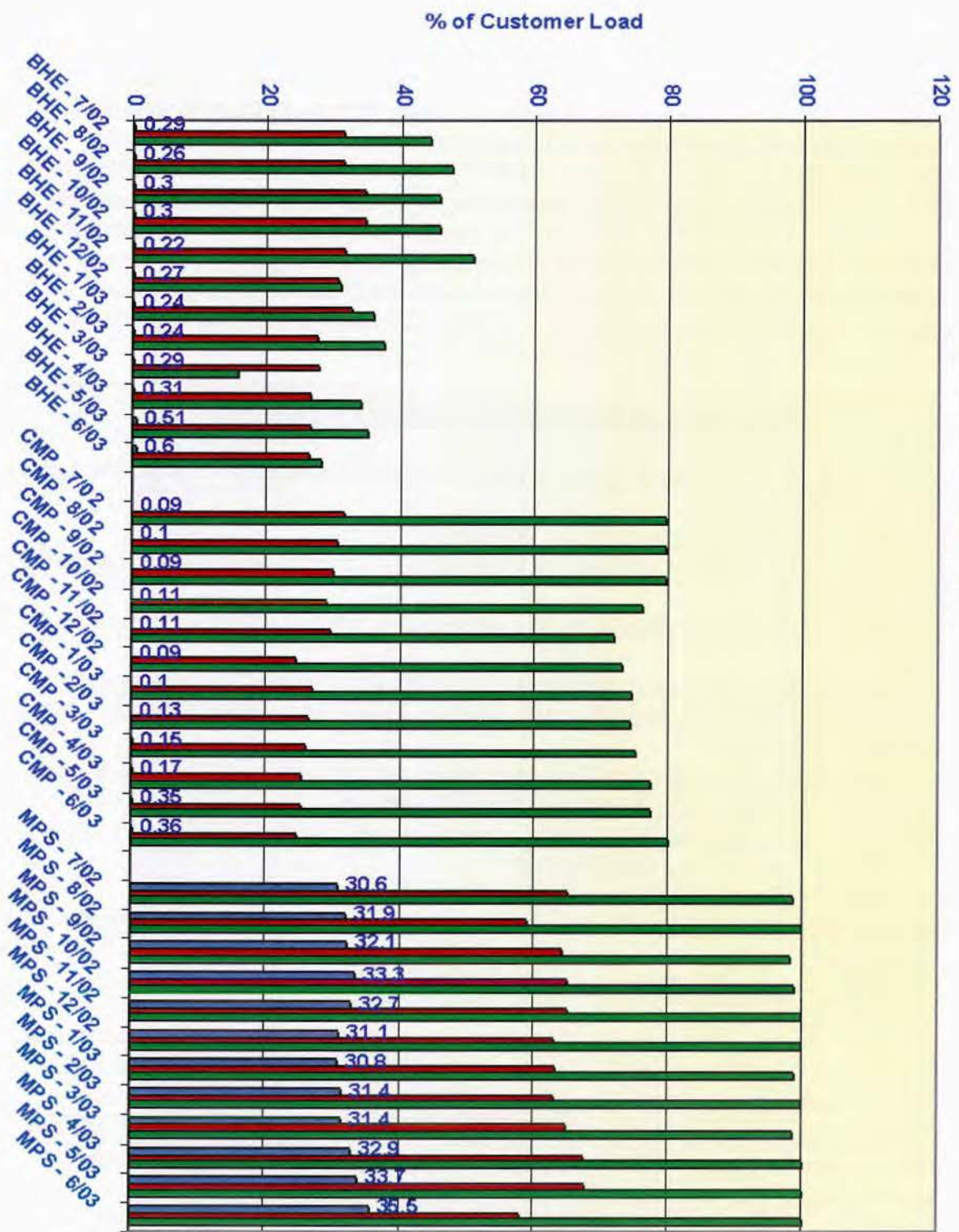
Public Advocate Publications: July 2002 to July 2003

1. July 2002: Op-Ed, Brunswick Times Record, "Energy Conservation is not an 'On Again – Off Again' Idea"
2. July 2002: Ratewatcher Phone Guide, Volume 10
3. July 2002: Letter to the Editor, Portland Press Herald, Verizon's calling plans compared with competitors
4. July 2002: Letter to the Editor, Kennebec Journal, The value of cost-effective energy conservation
5. September 2002: "The Achievable Potential for Electric Efficiency Savings in Maine; Prepared for the Maine Public Advocate", Optimal Energy, Inc., Vermont Energy Investment Corporation
6. September 2002: "The Technical Potential for Electric Energy Conservation in Maine; Prepared for the State of Maine, Office of Public Advocate", Exeter Associates, Inc.
7. December 2002: The Electricity Journal, "Firm-Specific Productive Efficiency Offsets in the Development of a Price Cap Formula
8. January 2003: Ratewatcher Phone Guide, Volume II
9. January 2003: Press Release, "Consumer Advocate Urge FCC to Preserve Network Sharing Rules that Facilitate Competition in Local Telephone Markets"
10. June 2003: Ratewatcher Phone Guide, Volume 12
11. July 2003: Electricity Guide, Volume 7

During the past year, Maine continued to be one of the nation's leaders in the extent of competition among electricity providers for medium and large business customers. 80% of CMP's industrial load was supplied by one of Maine's 41 licensed competitive providers, while the comparable number for Maine Public Service was 100% in June 2003. Adding in smaller customers in other parts of the state causes the total of statewide load that was served by competitive providers in June 2003 to exceed 30%. For those customers who wish to shop for their own supply, there is an active and healthy retail market for electricity in Maine, as shown in the following chart: "Share of Electric Sales in Maine by Competitive Providers: July 2002 to June 2003".

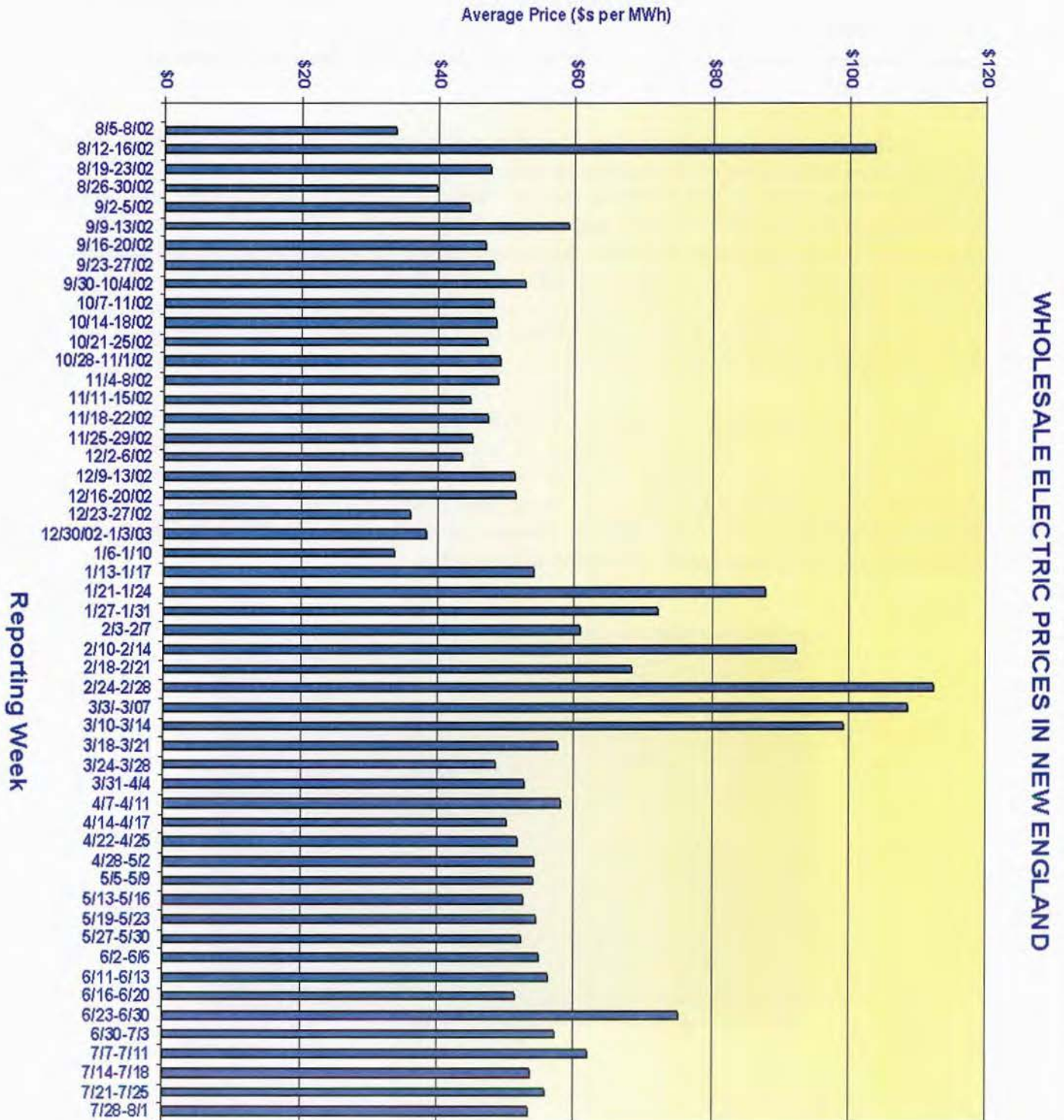
**Share of Electric Sales in Maine by
Competitive Providers:
July 2002 to June 2003**

■ Residential/Small
■ Commercial/Street Lighting
■ Medium Commercial
■ Large Commercial



During the past year wholesale prices for electricity have been volatile and trending upward, as shown in the following chart: "Wholesale Electric Prices in New England". This upward trend

in wholesale electric prices is likely to continue due to underlying increases in the price for natural gas – a key fuel for generators of electricity in the region. It is this upward pressure on wholesale prices that makes the expiration in 2005 of Maine’s Standard Offer contracts a real question mark.



B. Dealing with Customer Complaints, Consumer Education at the Legislature

In FY 2003 the Office regularly interacted with individual customers who contacted us with concerns or complaints about utility service. We also prepared and mailed newsletters on telephone and electric options to more than 51,000 consumers in the 12-month period ending in July 2003. In the case of individual customer complaints, the Office addressed more than 8900 complaints or requests for information during FY 2003. This total includes as well contacts with legislators during the 121st Regular Session and written testimony on individual bills during that session. Please see Attachments 3 and 4 for monthly detail on the frequency of newsletter mailings and on customer/legislator contacts.

As has been the case in prior years, the Office keeps track of those bills introduced during each legislative session and of our success in influencing debate on each bill. In 2003 the Office submitted written testimony on 51 bills in the 121st Session. Ten of these bills were held over to the 2nd Regular Session which will get underway in January 2004. Additionally, several bills were created during work sessions at the Utilities and Energy Committee from related legislation that had been proposed but was unlikely to be adopted. With respect to the remaining 36 bills on which the Office took a formal position, our recommendation corresponded to the final outcome in the Legislature on 28 occasions, or 78% of the time. Attachment 5 presents a listing of all the bills we tracked during the First Regular Session and the disposition of each bill we testified on.

In FY 2003 the Office also undertook the planning for a customer outreach event that took place on July 7: a “Telephone Clinic” at the Maine Mall in South Portland to which we invited consumers to sit down with OPA Staff for a one-on-one review of their most recent phone bill. More than 90 individuals came to the South Portland Clinic, with phone bills in hand, to take advantage of this opportunity. Because of this success, the Office is planning a similar event for the Bangor Mall – probably in December.



As shown on Attachment 6, the Office also has been quite active in responding to requests for speakers on utility-related topics. Twenty-nine of these informational talks took place at Maine in locations as diverse as a Fryeburg Selectmen's Meeting and the University of Maine in Augusta. Three talks took place out of state: before a U.S. Senate Committee, at a national conference of utility advocates and before the Louisiana PUC. All were by invitation or request.

Finally, the Office continued its active participation in two statewide consumer coalitions during FY 2003 – the Maine Electric Consumers Coalition and the Maine Energy Efficiency Coalition. The former was founded in 1996 with the Office as a founding member and key organizer. The latter was organized by the Natural Resources Council of Maine in 2001 in order to advance a pro-energy conservation agenda at the PUC and the Legislature. During FY 2003 the two Coalitions met jointly at the same location and on the same day, on twelve occasions. The dates, locations, invited guests and participation levels for those meetings are shown below.

**Meetings of the Maine Electric Consumers Coalition
and the Maine Energy Efficiency Coalition**

1. July 1, 2002 at Preti Flaherty in Augusta: with guests from Optimal Energy and US EPA
2. August 7, 2002 at NRCM in Augusta: with a guest from the Legislature
3. September 18, 2002 at Preti Flaherty in Augusta: with guests from the PUC and from APX
4. October 2, 2002 at Preti Flaherty in Augusta
5. October 16, 2002 at Preti Flaherty in Augusta: with guests from US PIRG
6. November 7, 2002 at NRCM in Augusta
7. December 11, 2002 at NRCM in Augusta: with guests from NEEP
8. January 10, 2003 at NRCM in Augusta: with a guest from the Legislature
9. February 21, 2003 at NRCM in Augusta
10. March 7, 2003 at NRCM in Augusta
11. March 21, 2003 at NRCM in Augusta
12. June 16, 2003 at Captain Cote's in Augusta

Attendance has ranged from 7 to 24 attendees per meeting representing from 7 to 16 organizations.

The current membership of the two Coalitions is summarized in Attachment 7. Both Coalitions have attracted strong and committed membership from a number of influential statewide organizations. Both Coalitions have also been active before the Maine Legislature and the Maine PUC on a series of issues ranging from renewable portfolio requirements to energy efficiency funding.

C. Savings for Ratepayers in 2002-2003

Between July 2002 and June 2003, the Office scored several victories for Maine's utility consumers. These included: a credit on Verizon's bills for the refund of sales taxes that were improperly charged on a federal item in prior bills (totaling \$342,000 on an annualized basis); a 50% share of \$18,723,105 in bill reductions for CMP customers that was attributable to the operation of an Alternative Rate Plan that we had jointly negotiated with CMP and the PUC Staff in 2000 (totaling \$9,361,550), and \$83,000 in savings from negotiated rate cases in which no party other than the utility was active (see Attachment 2). As a result of these efforts, rates for Maine consumers were set at level we estimate to be \$9,786,550 lower than they would have been in the absence of our advocacy. This \$10 million savings in rates compares favorably with the Office's \$1.5 million budget, yielding a return on investment for consumers of more than \$6 for every dollar in our annual budget.

These savings, when added to our previous efforts over the prior 21 years, generate a total of savings of \$230 million, as described in greater detail in Attachment 1. This \$230 million total includes both litigated outcomes involving no other party as well as multi-party settlements which the Office successfully negotiated with other intervenors. Cumulative savings over the last 21 years are presented on page 4 of Attachment 1.

It is our privilege and responsibility to represent the interests of Maine's utility consumers both in formal regulatory and legislative proceedings and in informal efforts at consumer education during a period of industry restructuring. The Public Advocate – currently, Stephen G. Ward – is appointed by the Governor and is subject to legislative confirmation. Currently three lawyers, an economist, and three support personnel comprise the Public Advocate's small but experienced staff. It is our pleasure to respond to inquiries from the public by phone, by electronic mail or in person at our Hallowell office, at any time. In particular, we are happy to respond to requests for speaking engagements from business, community or service groups in Maine on topics related to utility service.



D. Summary of Major Cases

Over the twelve months ending June 30, 2003 the Office was fully occupied with a series of regulatory proceedings in Maine at the Public Utilities Commission and in settings supervised by regional or federal authorities. This portion of the report provides a summary of these activities, by utility category: electricity, telephone, natural gas, water and disposal capacity for Maine Yankee's low-level radioactive waste. At year-end we also were preparing an appeal at the Maine Supreme Court of the PUC decision to leave in place an increase in Verizon's local rate despite a Supreme Court decision in February which vacated that rate increase order.

1. Electricity Cases at the PUC and FERC

- **CMP Stranded Cost Case:** Medium and large business customers received a \$7.4 million decrease in the stranded cost portion of distribution rates as a result of a stipulated agreement, accepted by the PUC, that took effect in July 2003. This decrease resulted from under-forecasting the level of sales to CMP's customers in the stranded cost rates that were set in March 2002. The Office sponsored the testimony of Dr. Steven Estomin of Exeter Associates who challenged the reliability of CMP's sales forecast methodology. By agreement of the parties and in recognition of the lingering effects of the economic downturn, this decrease was allocated in its entirety to the winter-period costs of business customers.
- **Electric Rate Design for CMP, Bangor Hydro and MPS:** A complex proceeding for the re-design of electric rates for Maine's three biggest electric utilities concluded in August 2002 with a stipulated agreement affecting only winter-period prices for seasonally-differentiated rates. Originally all three utilities expressed interest in moving toward a flat-rate, minimum bill form of cost recovery and away from usage-sensitive rates based on kilowatt-hour charges. Due to the opposition of the Office and of the Natural Resources Council of Maine, an intervenor in the case, this concept was not pursued in the stipulated outcome. We opposed the flat-rate proposal due to our concern that it would dilute incentives for conservation and undermine energy efficiency.
- **IECG Request for a Price Reduction:** In May 2003, the Industrial Energy Consumer Group filed a request at the PUC for a reduction in rates for CMP's largest rate classes (LGS-ST and LGS-T) due to the depressed state of the Maine economy and the risk of losing manufacturing jobs as a result. We ultimately reached an agreement with the IECG on a narrowly targeted discount, set a \$.003/kWh, limited only to private-sector manufacturers or ski area with 100 or more employees and a substantial level of electricity consumption. The cost of this targeted program would reduce CMP's Asset Sale Gain Account but leave a \$15 million balance as of March 2005. We regard it as desirable to have a balance of ratepayer credits on hand in March 2005 due to Standard Offer uncertainties. In July the PUC issued its order rejecting the Stipulation and instead applying a \$.003/kWh credit on all CMP bills effective July 1, except for residential and small commercial customers. In our view, the unfortunate result is that the Asset Sale Gain Account will be completely exhausted as of March 2005.

- **March Public Service Rate Case:** In March 2003, following several months of informal discussion, Maine Public Service filed a request for a \$1.2 million increase in rates in conjunction with a seven-year Alternative Rate Plan with service quality measurements and penalties. We hired a rate-of-return expert, an accounting expert and a service-quality measurement expert to assist us in ongoing negotiations with Maine Public, the IECG and the PUC Staff. At year-end these discussions were ongoing, with a substantial gap between the positions of Maine Public and the other parties.
- **Maine Public Service Holding Company:** In March the PUC approved the formation of a holding company structure for Maine Public by accepting a stipulation to which the Office had agreed. This stipulation imposed conditions on holding company formation that were designed to minimize the risk to MPS customers from ill-considered investments by the holding company and to preserve the PUC's ability to secure information about holding company operations.
- **Electric Efficiency Program Design:** In conjunction with the Legislature's transfer of management responsibilities for electric efficiency programs to the PUC from the electric utilities, we actively participated in a series of PUC proceedings that were concerned with the design of conservation programs. We commissioned a comprehensive study of Maine's potential for electricity efficiency savings upon which the PUC relied in its decisions about levels of funding for conservation programs. The study was jointly undertaken by Exeter Associates of Silver Spring, Maryland and Optimal Energy/Vermont Energy Investment Corporation of Vermont.
- **CMP Alternative Rate Plan, 2003 Adjustment:** In July 2003, CMP's distribution rates decreased by more than 7.2% as the result of an Alternative Rate Plan which we had negotiated with CMP in 2000. This decrease was primarily attributable to the expiration of multi-year amortizations of CMP's costs related to the 1998 Ice Storm and certain conservation-related investments. The amount of the July 2003 decrease was \$18,723,105 and would not have occurred in the absence of our active involvement in the Alternative Rate Plan negotiations.
- **BHE Alternative Rate Plan, 2003 Adjustment:** On July 1, 2003 Bangor Hydro's bills for distribution were reduced 2.5% as a result of a stipulation agreement which we helped negotiate. This 2.5% decrease was entirely the function of an Alternative Rate Plan that we had negotiated in 2001. In this case, the entire 2.5% decrease was allocated for the reduction of winter-period prices in recognition that seasonal differentiation of electric rates no longer makes sense for a distribution-only utility whose costs do not vary by season. Assigning this reduction to winter-period costs is also the result contemplated by the multi-year agreement in the Rate Design case referred to on the previous page.
- **York Transmission Line:** In August 2002 the Office was contacted by residents of York and Kittery who were concerned about a CMP proposal for construction of a 69 kilovolt transmission line in their neighborhood. The residents felt they were not getting much information from CMP on the need for, or alternatives to, to this major project. We assisted the citizens in filing a 10-person complaint with the PUC and helped the town of York intervene in the resulting proceeding. With the assistance of engineering

consultants from Synapse Energy Associates of Cambridge, Massachusetts, we filed a recommendation at the PUC that the line be located in an existing transmission corridor. At year-end, all parties were intent on negotiating a mutually-acceptable agreement for the construction of the line in 2004 in a less environmentally and visually sensitive location.

- **Bangor Hydro Millinocket Line:** In a series of negotiations from the Fall of 2002 into the Spring of 2003, we came to terms with Bangor Hydro and the new owners of the Great Northern Paper Company mill in Millinocket, Branscan Inc. of Canada, on the authorization for a new transmission line serving Millinocket. Because the line is required to provide service to the mill and to enable the mill to export unneeded power from its hydro-electric facilities, Branscan will cover the costs of constructing and operating the line and relieve BHE customers of cost responsibility for it.
 - **Flagstaff Lake Dispute:** In November we took to the PUC a request for a formal investigation on behalf of concerned citizens in the Flagstaff Lake/Bigelow Mountain region. These customers were concerned that CMP had acquired property by the threat of eminent domain in the 1940's and 1950's for the hydro-electric impoundment that is now known as Flagstaff Lake but was considering selling unneeded property to a private developer of ski-touring trails. Because of our concern about the possible misuse of property that was originally acquired for a public purpose, we asked the PUC to determine whether such a private-sector transaction was proper. In March the PUC issued its ruling that there was no impropriety in the proposed transaction.
2. **Energy Resources Council:** In a series of monthly meetings that began in July 2002, the eight agencies that are designated in statute as members of the Energy Resources Council met and developed an agenda for ongoing collaboration. The Office participated in these meetings, and helped fund the Council's sole staff-person, Julie Hashem of the State Planning Office. In May, Governor Baldacci announced the appointment of a Director of Energy Independence and Security, Beth Nagusky, to chair the Council's meetings and be a point person for the development of the State's energy policies. In June Governor Baldacci signed into law LD 669, legislation that requires the nine agencies in the Council (now including the Department of Conservation) to develop an inventory of existing state energy policies and to make recommendations, in the form of a study, on improvements in the implementation of those policies. Also in June 2003 the Council entered into a contract with Energy Advisors LLC of Camden, Maine for assistance in drafting the study required by LD 669.
3. **Telecommunications Cases at the PUC and the FCC**
- **Verizon Local Rate Appeal:** In an ongoing saga that began with the PUC's approval of a \$1.78 monthly increase in Verizon's local rates in 2001, we received a favorable ruling from the Maine Supreme Court in February on our appeal of that PUC order. In March the PUC commenced a proceeding to consider whether or how to account for the Supreme Court's decision vacating the \$1.78 rate increase. By year-end the PUC had ruled that it had independent authority to authorize the \$1.78 increase and, therefore, need not rescind that increase as a result of the February Supreme Court order. We disagree

with this claim and, at year end, were preparing a legal challenge at the Supreme Court of that PUC order.

- **Prison Pay Phone Charges:** Over the course of the year, both before and after the arrival of incoming Governor Baldacci, we worked closely with Department of Corrections officials on a singular source of harm for corrections inmates and their families – the extremely high charges for collect calls from corrections facilities in Maine to the families of inmates. These charges are typically negotiated in contracts of several years' duration as part of an overall departmental agreement with an interstate carrier for handling all long-distance traffic. The problem is that inmate families cannot handle repeated collect calls that are billed at 70¢ per minute without, sooner or later, facing disconnection for non-payment of these charges. Because Maine's Department of Corrections is currently negotiating a new contract for long-distance service, we are hopeful that this problem can be addressed.
- **RCC Approval for USF Certification:** In November the PUC granted its approval for a wireless company, RCC (an affiliate of Unitel of Unity, Maine) to qualify for federal Universal Service subsidies in rural portions of Maine. The Office originally joined a local exchange carrier and the Telephone Association of Maine in opposing the PUC's certification of RCC as USF-eligible but, following the negotiation of a series of conditions on the certification, joined RCC in a stipulated agreement that the PUC accepted. The key conditions included: a requirement that RCC provide service at an affordable level of \$15 per month, that it provide a call placement service enabling customers to reach RCC customers even if they don't have the RCC phone number, and that it will fully comply with the PUC credit and collection and low-income Lifeline/Link-up standards.
- **FairPoint Companies - Proposed Rate Increases:** In mid-January 2003, the FairPoint Companies submitted five separate rate filings in which they requested increases in revenue in the overall amount of \$6,664,954. \$2.7 million dollars of the increase represent money that FairPoint seeks in order to replace revenues lost if the FairPoint Companies reduce their access charges. However, recent changes to the "access parity statute" will mean that the Companies are not required to reduce their instate access charges until 2005, which, in turn, means that FairPoint will not need to recover the \$2.7 million in access charges in the rate proceeding. FairPoint is also proposing to charge the Maine companies a sizeable amount of money each year for in management fees. There was very little said by the FairPoint Companies about such charges in their Chapter 120 filing, or in their direct testimony. Accordingly, the Public Advocate has taken steps to assure that the issues involving management fees are fully developed before the Commission so that Maine ratepayers will not be charged either for unnecessary or excessive management fees, or for inappropriate costs and an above-cost add-ons included in the FairPoint management fees. These steps have included presenting direct testimony and other relevant information, and the timely issuance of discovery on FairPoint's rebuttal testimony. At the end of the year, the FairPoint Companies were objecting to the extensive discovery submitted on their rebuttal testimony

- **Rulemaking Amendment to Basic Service Calling Area (BSCA) Rule:** In September, the Office filed comments on the Commission's further amendment to its BSCA rule. Generally, we supported the amendments which would allow each customer to select a "premium" local calling area that would include (a) all contiguous exchanges and (b) the exchange in which the nearest "service" town sits. We also urged that the Commission reject the suggestion by Verizon that, simultaneous with the rule change, its six rate groups be collapsed into only one rate group. The PUC adopted our recommendations in the final rule.
- **In-State Access Charge Rulemaking:** In January, the Office submitted comments in the PUC rulemaking that involves the procedures for reducing the in-state access rates paid by inter-exchange carriers. As in the past, we emphasized the need (and obligation) of the Commission to review the revenue requirement of each telephone company before permitting increases in basic exchange rates that may be caused by the access rate reductions.
- **Saco River Telephone - Alternative Form of Regulation:** In September, we participated in a meeting at which Saco River Telephone Company met with the three Commissioners and the PUC staff to discuss how the Company might file either a rate case or a request for an alternative form of regulation. The parties agreed to spend the next four weeks seeing if the process might be resolved by negotiation. Following informal negotiations, office staff met in October for a technical conference with Saco River personnel and the PUC Staff. We reviewed and asked questions about an abbreviated version of a Company earnings report for 2001. Along with all the other independent telephone companies, Saco River was required to reduce intrastate access charges substantially in May 2003. We and the PUC Staff performed a quick and thorough review of the company's revenue requirement. In April, we submitted a three-part Stipulation to the Commission requiring Saco River to reduce its in-state access charges in two steps between May 2003 and December 2004. At the same time, Saco River agreed to increase the local calling area for its exchanges, allowing its customers to make local calls to Portland. A time limit was set on the stipulation and the Commission failed to consider the stipulation before the dead-line. Accordingly the stipulation agreement ended. Because Saco River had never file for a rate increase, the issue is presently not in front of the Commission.
- **USAC Appointment:** Senior Counsel Wayne Jortner received in July an appointment as the consumer representative on the Board of Directors of USAC, the Universal Service Administrative Corporation. USAC is the entity that supervises the collection and disbursement of funds designated for federal and state universal service programs: the federal E-rate program, state programs comparable to Maine's Schools and Libraries Internet program and the FCC's programs for subsidizing phone service in high-cost and rural areas. Mr. Jortner's appointment serves Maine well, as a state that receives a substantial amount of federal discount dollars for Universal Service support, both for Verizon customers and for customers of Maine's independent telephone companies. Mr. Jortner was subsequently elected as Treasurer of USAC for a two-year term.

- **Prosecution of WebNet for Slamming:** In August, the Office filed our comments on the “Prosecutor’s Report” filed by the PUC Staff that recommends that the PUC levy a \$5 million penalty on WebNet for its recent “slamming” activities and other fraudulent practices. In August we also participated in an all-day mediation between three parties (WebNet, the PUC “prosecutorial staff” and our office) on the size of the fine that WebNet will pay for its unauthorized connections of customers to its toll services. WebNet has ceased doing business in Maine, and is willing to forfeit its Maine certificate. With mediation proving unsuccessful, in April the PUC held a hearing to consider appropriate penalties for the redesignation of long-distance providers for 75 customers who never consented to transferring that service to WebNet. Those “slamming” violations were particularly egregious because WebNet apparently falsified tape-recorded documentation of customer-given consents. At the hearing we urged the Commission to levy a substantial fine against WebNet because of its intentionally deceptive practices. The Commission ultimately fined WebNet \$4.6 million.
 - **Community Service Telephone Company - Rate Design:** In August we undertook ongoing discussions with Community Service Telephone (CST) about the rate design proposal that the Commission has requested from the parties. We agreed on the process of a two-step increase in CST’s basic rates as CST reduces its in-state access charge to the NECA-5 federal level. In September we joined Community Service Telephone in filing a stipulation that proposed a two-step reduction in CST’s instate access charges. We agreed with CST as to the size of the first-step compensating increase in basic local rates. However, we asked the Commission to decide whether there should be a review of CST earnings before the second, compensating increase in local rates occurs. The PUC ultimately rejected this stipulation and at year-end only the first-step had taken place. The remaining step, as proposed by CST, was withdrawn by CST at the direction of the Hearing Examiner. At the end of the year, CST was directed to file a revised proposal for changing rates by August 1, 2003.
 - **Maine Telecommunications Relay Service:** In September, in combination with the PUC, the Office filed Maine’s application to the FCC for re-certification of the Maine Relay Service. The recertification was successful with the Relay Service re-certified for a five-year period.
4. **Water District/Water Company Rate Cases:** See Attachment 2 for a summary of four Consumer Maine Water rate cases at the PUC and of three water district rate proceedings, all resolved by negotiation. In these cases, there were no other active parties.
 5. **Natural Gas Cases:** Our involvement in natural gas proceedings at the PUC was limited to cost of gas adjustment cases for Northern Utilities and Bangor Gas and to a series of PUC-initiated investigations of Northern Utilities management practices as they pertain to billing accuracy, gas procurement and overall management efficiency. Although we actively participated in these proceedings, we didn’t hire any expert witnesses to assist us in these cases during FY 2003.

6. Low-Level Radioactive Waste and Nuclear Power Issues at FERC and in Texas

- **Vermont Yankee Decommissioning Approval:** In August 2002, the Maine PUC approved the disposition of CMP's share of decommissioning expenses at the Vermont Yankee Nuclear unit in Vernon, Vermont. We opposed this PUC approval, seeking instead a requirement that Vermont Yankee's new owner, Entergy of New Orleans, refund to CMP customers any unused portion of total decommissioning collections that may remain following the completion of all decommissioning activity in 2030 or later. The PUC apparently viewed such a requirement as carrying the risk that Entergy might choose not to consummate the sale, leaving the Vermont Yankee unit without a new buyer. Since Entergy's offer for purchase was markedly superior to any other bid, the PUC joined other regulators in New England in not imposing the condition we sought.
- **Texas Compact Issues:** In recent years we have maintained contact with key officials in Texas government, both in the Legislature and in the Governor's Office, in the interest of enabling Maine to terminate its membership in the Texas Low-Level Radioactive Waste Disposal Compact. The Maine Legislature enacted withdrawal legislation in April 2002 which takes effect, under the express language of the Compact, in April 2004. To our surprise, in May 2003 the Texas Legislature enacted, and Governor Perry, signed legislation providing for a siting process for a disposal facility in Texas that included requirements for Maine and Vermont each to pay \$12.5 million as of November 2003. With the assistance of our Austin-based lobbyist, Tom Forbes, we reasserted our unwillingness for Maine to pay any share of Compact-related costs for a facility Maine now has no need for and will never use. At year's end, we continued to monitor the situation and were in regular contact with Mr. Forbes and our counterpart in Vermont.

**Summary of Ratepayer Savings, 1982 to 2003
Attributable to Public Advocate Interventions**

1. <u>FY 03</u>	
<ul style="list-style-type: none"> ◆ <u>Central Maine Power ARP Adjustment</u>, a 7.82% reduction in distribution rates resulted from a 2001 settlement to which the OPA was the only non-utility litigant. Accounting for the major role of the PUC Staff in this case justifies a 50% share of this reduction, or \$9,361,552 ◆ <u>Verizon Sales Taxation Adjustment</u>, at our instigation, Maine eliminated in February 2003 sales tax on a federal portion of Verizon's bills generating \$342,000 savings annually ◆ <u>Assorted Water Rate Case Savings</u>, as shown in Attachment 2, the OPA realized savings in rates of \$83,000 in a series of water district rate cases in 2002-2003. 	<p>\$ 9,361,552</p> <p>\$ 342,000</p> <p>\$ 83,000</p>
2. <u>FY 02</u>	
<ul style="list-style-type: none"> ◆ <u>Stranded Cost Cases (MPS, BHE, CMP)</u>, Maine Yankee's in-state owners agreed to flow back to ratepayers the credit received from Maine Yankee's insurer when the plant ceased operations ◆ <u>Bangor Hydro Rate Case</u>, BHE's rate increase request was withdrawn by BHE in conjunction with a 6-year Alternative Rate Plan which we negotiated for the 2002-2008 period ◆ <u>Telephone Rate Cases</u>, lowered levels of local phone rates for Tidewater Telecom and Lincolnville Telephone as a result of negotiated settlements 	<p>\$ 4,654,000</p> <p>\$ 6,400,000</p> <p>\$ 557,000</p>
3. <u>FY 01</u>	
<ul style="list-style-type: none"> ◆ <u>Maine Yankee Prudence Settlement (FERC/PUC)</u>, two in-state owners of Maine Yankee, CMP and BHE, agreed to acknowledge the increased value of Maine Yankee output in wholesale markets by agreeing to a reduction in recoverable stranded costs 	<p>\$ 14,200,000</p>
4. <u>FY 00</u>	
<ul style="list-style-type: none"> ◆ <u>CMP T&D Rate Case, Phase II</u>, stranded cost reduction from excess earnings in stipulated resolution accepted by PUC on 2/24/00 ◆ <u>Bangor Hydro T&D Rate Case</u>, reduction in final PUC order on items where the only litigant challenging BHE's rate request was OPA 	<p>\$ 20,000,000</p> <p>\$ 9,500,000</p>

5. FY 99
 - ◆ CMP T&D Rate Case, Phase I, reduction in final PUC order on items where the only litigant challenging CMP's rate request was OPA \$ 28,000,000
 - ◆ Maine Yankee Rate Case/Prudence Review (FERC), settlement of decommissioning case resulted in a \$19 million reduction of wholesale charges, 50% to be flowed-through to CMP, BHE, MPS. Also potential \$41 million reduction in stranded costs billed by MPS through 2008. \$ 9,500,000

6. FY 97
 - ◆ Consumers Maine Water Rate Case, \$8,000 reduction in final rate increase awards for Bucksport and Hartland where no other party filed testimony \$ 8,000

7. FY 95
 - ◆ NYNEX Rate Case, \$16.6 million reduction based on items proposed by no other party and adopted by PUC in final order \$ 16,600,000

8. FY 91
 - ◆ Bangor Hydro Rate Case, \$800,000 in lowered rates based on items by no other party and adopted by PUC on final order \$ 800,000

9. FY 90
 - ◆ CMP Rate Case, \$4 million reduction based on recommendations not duplicated by any other party which were adopted in the final order \$ 4,000,000

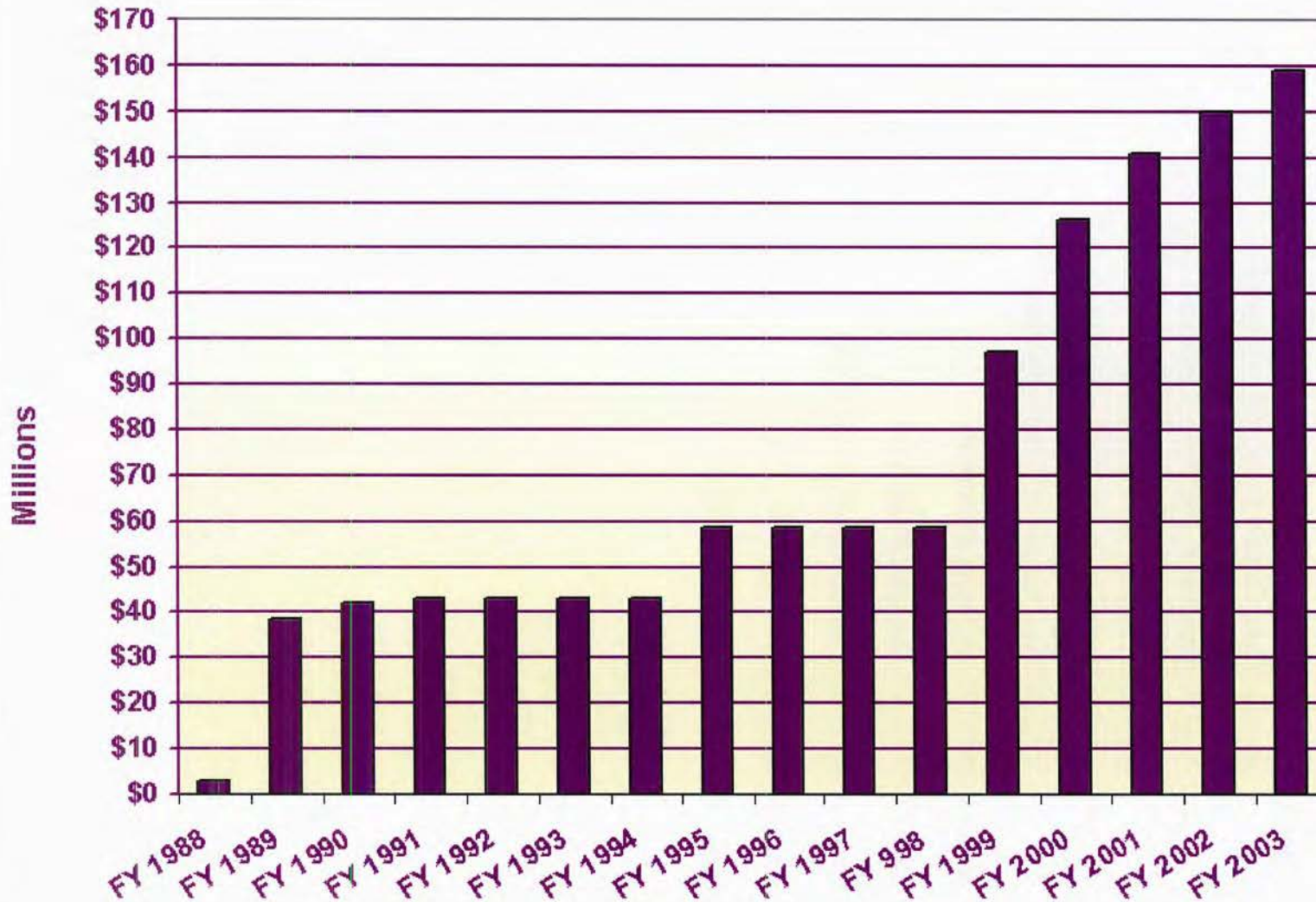
10. FY 89
 - ◆ New England Telephone Settlement, \$5 million reduction in intra-state where magnitude would have been less without our participation \$ 500,000
 - ◆ CMP Rate Case, only party to file for motion to exclude CMP's late filed attrition testimony, motion granted 12/22/89 \$ 35,000,000
 - ◆ Isle au Haut, instrumental in bringing telephone service to island NA

11. FY 88 and prior
 - ◆ Bangor Hydro Rate Case, provided sole rate of return testimony \$ 2,000,000
 - ◆ Maine Yankee Rate Case, (FERC), successfully proposed equity return at 11.9% and flowthrough of \$1.5 million settlement with Westinghouse \$ 750,000
 - ◆ Portland Pipeline Cases, successfully intervened at FERC, PUC, DOE Natural Energy Board (Canada) for approval of new gas supplies NA
 - ◆ Seabrook Cases, negotiated agreement for \$85 million write-off by CMP and for PUC and FERC approval of sale of Seabrook shares NA
 - ◆ CMP Conservation Programs, worked closely with CMP, PUC and OER for design of new industrial and residential conservation programs NA

ATTACHMENT I
Page 3 of 4

● <u>Rate Cases:</u> Maine Public Service, 1982 - litigated	\$ 2,000,000
Eastern Maine Electric Coop. 1983 - litigated	\$ 200,000
New England Telephone 1983 - litigated	\$ 10,000,000
New England Telephone 1984 - stipulated	\$ 20,000,000
Northern Utilities, 1981 - stipulated	\$ 100,000
Northern Utilities, 1983 - stipulated	\$ 1,000,000
Central Maine Power Co., 1982 - litigated	\$ 5,000,000
Central Maine Power Co., 1984 - stipulated	\$ 10,000,000
Central Maine Power Co., 1986 - stipulated	\$ 20,000,000
12. Total FY 89-FY 03, excluding settlements	\$ 94,250,000
13. <u>Total FY 89-FY 03, Including Settlements</u>	\$ 159,505,550
14 Prior Savings, including settlements, FY 82-FY 88	\$ 71,050,000
15. Total, excluding settlements, FY 82-FY 03	\$ 113,450,000
16. <u>Total, Including Settlements, FY 82-FY 03</u>	\$ 230,555,550

Cummulative Savings in Rates 1988 to 2003



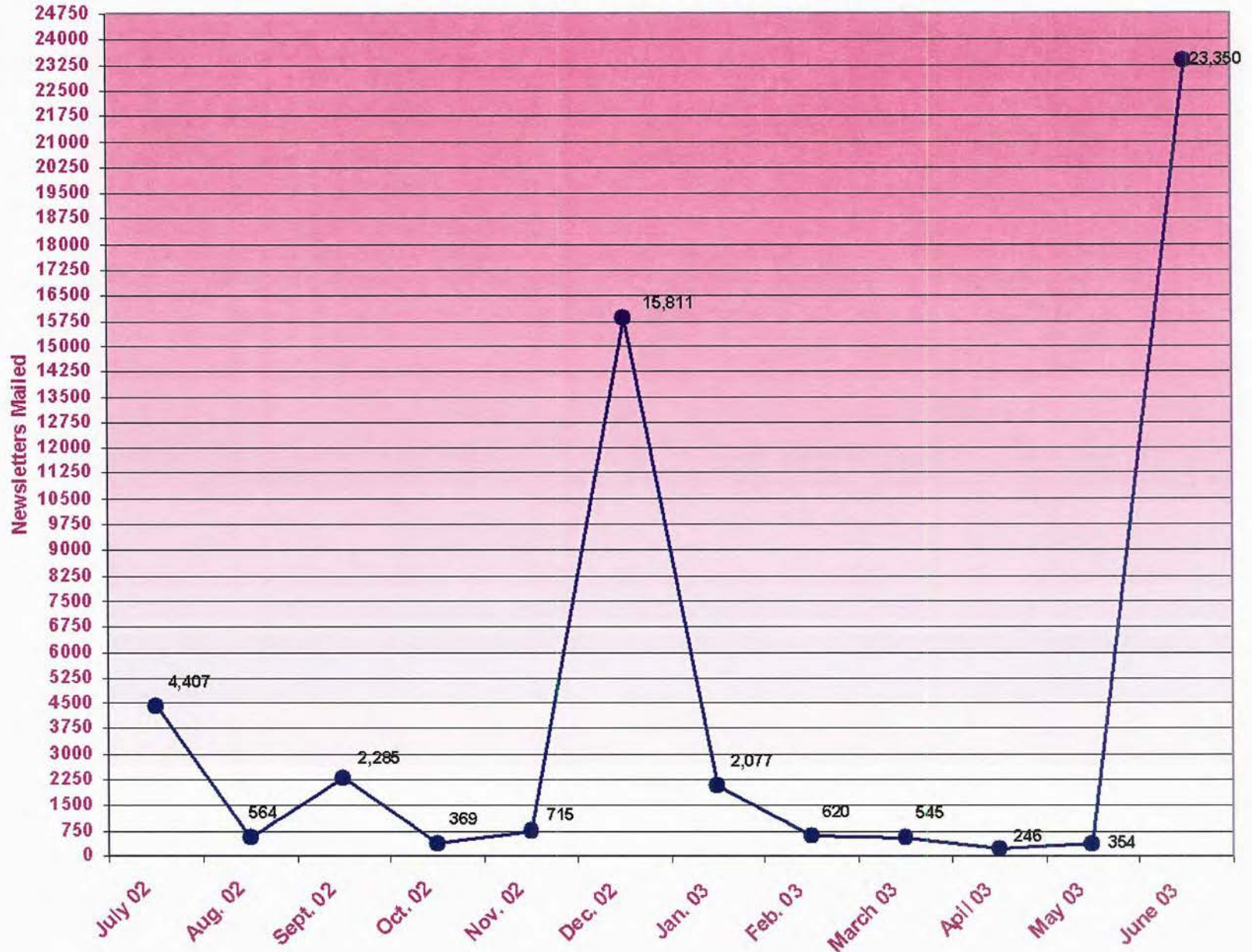
ATTACHMENT 2

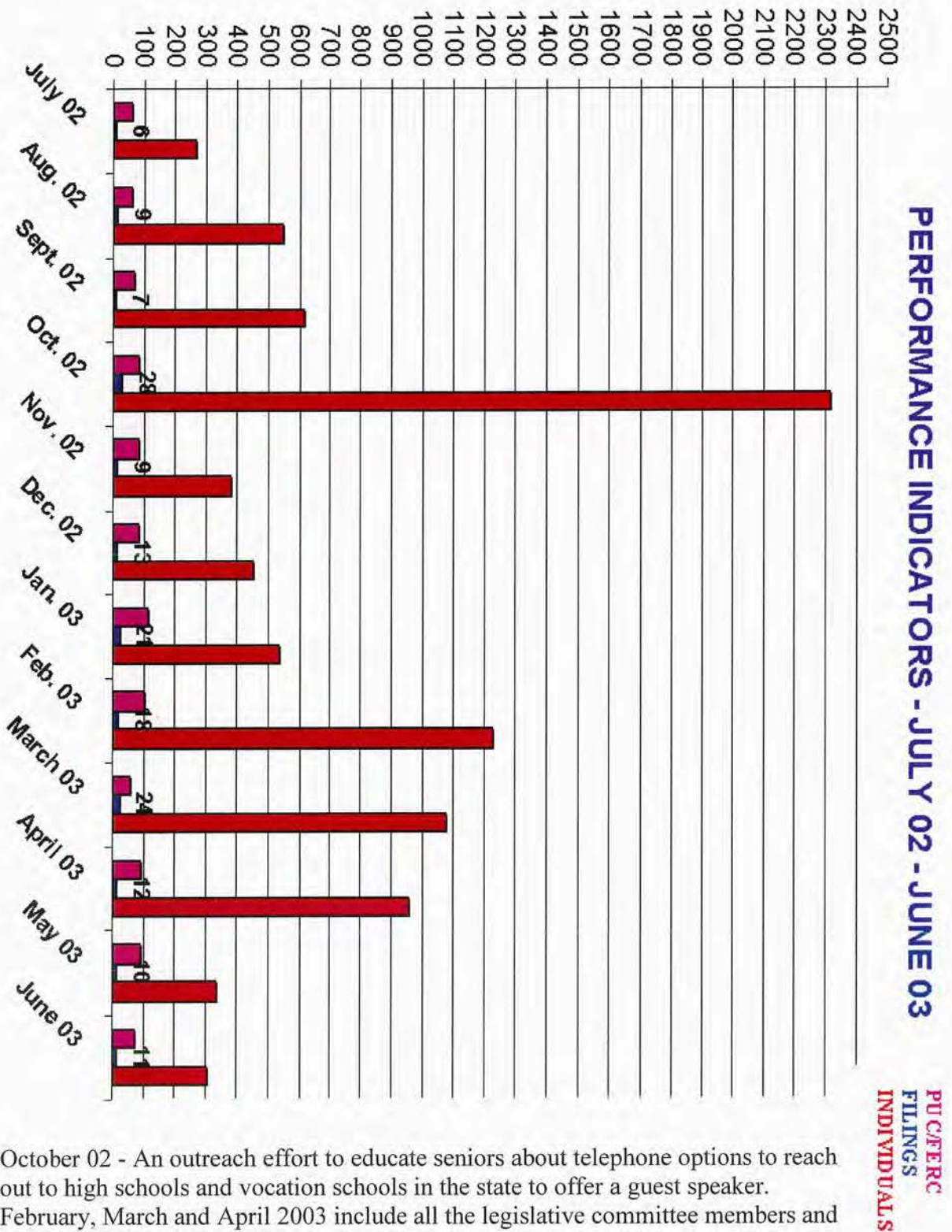
WATER RATE CASES: FY03

Water District or Company	Order Date	Requested Increase	Granted Increase	Savings \$\$
Consumers Maine Water - <u>Greenville</u>	11/8/02	\$41,847	\$40,847	\$1,000
2002-425 <u>Dixfield</u> Water Dept.	3/26/03	\$69,024	\$55,280	\$13,744
2002-597 <u>Winterport</u> Water District	3/11/03	\$45,249	\$45,249	\$0
Consumers Maine Water - <u>Skowhegan</u>	1/13/03	\$88,460	\$84,983	\$3,477
2002-628 <u>Rangely</u> Water District	6/30/03	\$76,577	\$44,344	\$32,233
Consumers Maine Water - <u>Camden & Rockland</u>	3/18/03	\$190,819	\$168,500	\$22,319
Consumers Maine Water - <u>Freeport</u> Step 2 is still being negotiated.	6/3/03	\$139,768 Step 1: \$50,536 Step 2: \$89,232	\$40,000	\$10,036
Total Savings	NA	NA	NA	\$82,809

The Office also was actively involved in controversies associated with water resources in the towns of Fryeburg and Waldoboro in 2002-2003, at the request of concerned citizens and town officials.

July 2002 through June 2003 Performance Indicators





October 02 - An outreach effort to educate seniors about telephone options to reach out to high schools and vocation schools in the state to offer a guest speaker.
 February, March and April 2003 include all the legislative committee members and contacts.

121st LEGISLATURE, 1st SESSION

OPA position adopted: 28 78%
OPA position rejected: 8 22%
 Bills OPA testified on: 36 100%*

LD#	Bill Title		
(if underlined, OPA is Governor's "lead agency")			
Effective date for non-emergency legislation is September 13, 2003.			
0029	An Act to Eliminate the Telephone Service Tax Dedicated to Libraries and Schools		
	Sponsor: Gagne-Friel		
	OPA position: oppose	Committee action:	ONTP
0064	An Act to Reduce Workers' Compensation Costs for Self-Insured Public Utilities		
LAB	Sponsor: O'Neil		
	OPA position: none	Committee action:	<u>PL 38</u>
0067	An Act to Ensure that Utility Property is Used to Further the Public Interest		
	Sponsor: Goodwin		
	OPA position: support	Committee action:	ONTP (div rpt)
0087	An Act to Ensure That all State Residential and Commercial Customers are Able to Purchase Electricity Through the Competitive Market		
	Sponsor: Goodwin		
	OPA position: oppose	Committee action:	ONTP
0090	An Act to Create Broadband Internet Access in Rural Areas of the State		
	Sponsor: Goodwin		
	OPA position: oppose	Committee action:	ONTP
0115	An Act to Authorize a General Fund Bond Issue to Enable Low-income and Moderate-income Families to Conserve Energy in Their Homes		
BRE	Sponsor: Bliss		
	OPA position:	Committee action:	Died in appropriations

* Bills with an asterisk next to the disposition were voted out ONTP only because the issues presented in the bills were preserved in other bills. These bills were not counted for purposes of the percentage of bills approved or rejected.

- 0163 An Act to Provide Energy Opportunities to Northern Maine
Sponsor: Kneeland
OPA position: q. support Committee action: ONTP
PL 506
- 0183 An Act to Ensure Lower Electricity Costs in Maine
Sponsor: Glynn
OPA position: split Committee action: ONTP (div rpt)
- 0214 An Act to Streamline Utility Consumer Advocacy
Sponsor: Glynn
OPA position: oppose Committee action: ONTP
- 0222 An Act Providing for Regulation of the Cable Television Industry by the Public Utilities
Commission
Sponsor: Gerzofsky
OPA position: oppose Committee action: HELD OVER
- 0231 An Act to Strengthen Delivery of Electricity Conservation Programs
Sponsor: Hall
*Bases proportional equivalency of DSM funding on T&D revenues and eliminates
proscription on using proportional equivalency as basis for increasing funding.*
OPA position: support Committee action: OTPA
PL 217
- 0233 An Act to Promote Energy Conservation
Sponsor: Strimling
Sets wires charge at \$0.0015
OPA position: support Committee action: Killed, revived, stripped and replaced
with text from LD 540 OTPA
PL 497
- 0238 An Act to Amend the Energy Resources Council Membership
Sponsor: McKee
OPA position: support Committee action: OTP
PL 9

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- | | | | |
|------|--|-------------------|----------------|
| 0255 | An Act to Control Internet “Spam”
Sponsor: Goodwin
OPA position: none | Committee action: | OTPA
PL 237 |
| 0265 | An Act to Promote Affordable Telephone Service for Businesses and Residential Customers in Rural Maine (OPA)
Sponsor: Hall
OPA position: support | Committee action: | OTPA
PL 101 |
| 0298 | An Act to Define Standard-offer Service as a Service of Last Resort
Sponsor: Berry
OPA position: nf/na(as amended) | Committee action: | ONTP |
| 0302 | An Act to Make Adjustments to the Renewable Energy Portfolio
Sponsor: Berry
<i>Eliminates 100MW limit for and reduces to 20% the size of the portfolio</i>
OPA position: Oppose | Committee action: | ONTP* |
| 0306 | An Act to Ensure Recovery of Extraordinary, Terrorism-related Security Costs for Public Utilities
Sponsor: Berry
OPA position: oppose | Committee action: | ONTP |
| 0330 | An Act to Clarify the Ability of Transmission and Distribution Utilities to Market Electricity at Retail
Sponsor: Hall
OPA position: support | Committee action: | ONTP |
| 0331 | An Act to Restricting Telemarketers from Blocking Their Telephone Numbers When Making Solicitation Calls
Sponsor: Douglass
OPA position: none | Committee action: | OTPA
PL 70 |
| 0343 | An Act to Reduce the Electric Bill of Persons Requiring Daily Use of Electric Oxygenerators
Sponsor: Faircloth
OPA position: support | Committee action: | ONTP |

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- | | | | | |
|-------------|---|-----------------------|-------------------|----------------|
| 0352 | An Act to Encourage Energy Efficiency and Security
Sponsor: Hall
<i>Directs PUC to consider efficiency when setting T&D rates; provide incentives for conservation. Asks PUC to examine how to create incentives for T&D to promote efficiency.</i> | OPA position: support | Committee action: | OTPA
PL 219 |
| 0355 | An Act to Require That Residential Customers Be Given Contracts for Utility Line Extensions
Sponsor: Bliss | OPA position: support | Committee action: | ONTP |
| 0371 | An Act to Require Review of Utility Rates Prior to Approval of Alternative Rate Plans (OPA)
Sponsor: Bliss | OPA position: support | Committee action: | OTPA
PL 45 |
| 0392 | An Act to Prohibit Use of Computerized Calls by Telemarketers
Sponsor: Dudley | OPA position: none | Committee action: | ONTP |
| <u>0479</u> | An Act to Revise the Funding Formula of the PUC and the OPA
Sponsor: Daggett | OPA position: nf/na | Committee action: | ONTP |
| <u>0481</u> | An Act to Preserve Competition in the Long-distance Telephone Market
Sponsor: Daggett | OPA position: support | Committee action: | ONTP |
| 0508 | An Act to Transfer Regulation of Towers and Transmitters to Municipalities
Sponsor: Goodwin | OPA position: none | Committee action: | ONTP |
| 0526 | An Act to Ensure Domestic Tranquility
Sponsor: Ketterer | OPA position: none | Committee action: | ONTP |

* Bills with an asterisk next to the disposition were voted out ONTP only because the issues presented in the bills were preserved in other bills. These bills were not counted for purposes of the percentage of bills approved or rejected.

- 0540 An Act to Ensure Optimal Energy Efficiency in State-funded Construction
Sponsor: Hall
Directs DAFS to ensure optimal energy efficiency in state-funded construction
OPA position: support Committee action: text moved to 233 ONTP*
- 0546 An Act to Ensure Consideration of Accurate Long-term Customer Power Alternatives
Sponsor: Hall
Required T&Ds to treat gen alternatives as long-term investments when negotiating special contracts.
OPA position: support Committee action: Issues preserved in 639 ONTP*
- 0547 An Act to Increase Bill Reductions for Electricity Customers in Maine (OPA)
Sponsor: Hall
Increases DSM wires charge to \$.0025.
OPA position: support Committee action: (issues preserved in 669) Held Over
- 0548 An Act to Require Fair Treatment of Ratepayers When Electric Utilities are Sold
Sponsor: Treat
OPA position: support Committee action: ONTP
- 0569 An Act to Allow the PUC to Exempt Certain Telephone Utilities from the Requirement to Obtain Approval for Special Contracts
Sponsor: Bliss
OPA position: none Committee action: ONTP
- 0577 An Act to Facilitate Access to Dial-up Internet Service for Telephone Customers throughout the State (OPA)
Sponsor: Bliss
OPA position: support Committee action: ONTP
- 0639 An Act to Ensure Accurate Electric Rates for the Ski Industry
Sponsor: McGlocklin
OPA position: nf/na Committee action: HELD OVER
- 0668 Resolve, Regarding the Reduction of Barriers to the Transmission of Electricity
Sponsor: Hall
OPA position: support Committee action: OTP
Resolve 5

*Bills with an asterisk next to the disposition were voted out ONTP only because the issues presented in the bills were preserved in other bills. These bills were not counted for purposes of the percentage of bills approved or rejected.

- 0669 An Act to Strengthen the Energy Resources Council
Sponsor: Hall
Requires ERC to comprehensively review and report on state energy policy. Provides funding from PUC conservation fund.
OPA position: q. support Committee action: OTPA
PL 487
- 0671 An Act to Facilitate the Development of Cost-effective Distributed Electricity Generation in the State
Sponsor: Hall
Strengthens role of DG in the state by providing regulatory framework, increasing attractiveness of net metering, etc.
OPA position: support Committee action: HELD OVER
- 0724 An Act to Enhance Homeland Security [E-9-1-1]
Sponsor: McKee
OPA position: none Committee action: OTPA
PL 124
- 0771 An Act to Provide Parity in Funding for E-9-1-1 Services
Sponsor: Bliss
OPA position: none Committee action: OTPA
PL 194
- 0775 An Act to Clarify that All Companies Offering Telephone Services for Compensation, Including Switchless Resellers, Are Telephone Utilities
Sponsor: Bliss
OPA position: support Committee action: OTPA
PL 153
- 0776 An Act to Eliminate Potential Restrictions to the Establishment of an Alternative Form of Regulation for Some Telephone Utilities
Sponsor: Bliss
OPA position: support Committee action: OTP
PL 48

*Bills with an asterisk next to the disposition were voted out ONTP only because the issues presented in the bills were preserved in other bills. These bills were not counted for purposes of the percentage of bills approved or rejected.

- 0799 Resolve, To Improve Energy Efficiency in New School Buildings
Sponsor: Hall
Requires DOEducation to require new school construction to use most energy efficient designs.
OPA position: support Committee action: ONTP
- 0804 An Act to Amend the Standard Water District Enabling Act
Sponsor: Hall
OPA position: none Committee action: OTPA
PL 147
- 0805 An Act to Create a Sustainable Energy Trust Fund
Renamed: An Act to Protect Conservation Trust Funds
Sponsor: Hall
Creates trust fund funded by wires charge administered by FAME with advice from ERC for loans and other support for sustainable energy projects.
OPA position: support Committee action: Completely changed: gutted and replaced with language attempting to keep Conservation Fund separate from General Fund.
OTPA
PL 275
- 0811 An Act to Prevent the Gaming of Special Rate Contracts by Utilities
Sponsor: Berry
OPA position: support Committee action: (issues preserved in 639) ONTP*
- 0843 An Act to Ensure Equal Treatment of Telecommunications Customers under Maine's Universal Service Fund
Sponsor: Rines
OPA position: oppose Committee action: ONTP
- 0947 An Act to Create the Cable Television Franchise Board
Sponsor: Glynn
OPA position: none Committee action: ONTP
- 0962 An Act to Consolidate the Advocacies of the Various State Agencies into an Executive Department and Establish the Office of Inspector General (concept)
Sponsor: Bunker
OPA position: nf/na Committee action: HELD OVER

*Bills with an asterisk next to the disposition were voted out ONTP only because the issues presented in the bills were preserved in other bills. These bills were not counted for purposes of the percentage of bills approved or rejected.

- 1030 An Act to Allow COUs to Purchase Power at Negotiated Wholesale Rates, Terms and Conditions
Sponsor: Murphy
OPA position: support Committee action: OTPA
PL 141
- 1042 An Act to Ensure Proper Funding of the PUC (PUC)
Sponsor: Bliss
OPA position: none Committee action: OTPA
PL 272
- 1051 An Act to Expand the Mission of the Public Advocate
Sponsor: Bliss
Ins OPA position: nf/na Committee action: ONTP
- 1053 An Act to Enhance Renewable Power
Sponsor: Mills
Establishes a carbon tax.
OPA position: oppose Committee action: ONTP
- 1089 An Act to Authorize a General Fund Bond Issue in the Amount of \$15M for Energy Conservation in State Buildings and Facilities
App. Sponsor: Hall
In addition to bond fund, bill authorizes transfer of \$250k from conservation fund to DAFS for audit of state energy consumption.
OPA position: Committee action: Held Over
- 1148 Resolve, To Establish the Maine Networked Services Task Force
Sponsor: Mills
Task force would study and evaluate delivery systems for electric, phone, Internet and cable.
OPA position: none Committee action: ONTP
- 1157 An Act to Promote Clean and Efficient Energy (Concept)
Sponsor: Brennan
Increase wires charge to .30 cents by 2008; new appliance standards; increase renewables in portfolio; increase energy efficiency in building construction through LEED.
OPA position: support Committee action: Held Over

*Bills with an asterisk next to the disposition were voted out ONTP only because the issues presented in the bills were preserved in other bills. These bills were not counted for purposes of the percentage of bills approved or rejected.

- 1184 Resolve, To Encourage Use of Alternative Energy Sources
Sponsor: Hall
Directs ERC to study use of alt fuels by State fleet. Costs come from conservation fund.
OPA position: support Committee action: OTPA
Resolve 50
- 1187 An Act to Establish Minimum Energy Efficiency Standards for Products Sold in the State
Sponsor: Hall
Sets min effic standards for certain products; allows PUC to require higher standards
OPA position: Committee action: Issues preserved in 1261ONTP*
- 1188 An Act to Control Unsolicited Commercial E-mail
Sponsor: Shorey
OPA position: none Committee action: ONTP
- 1201 An Act to Require the Owner and Operator of a Casino to Improve or Replace Utilities and Infrastructure in the Vicinity of the Casino
Sponsor: Collins
OPA position: none Committee action: HELD OVER
- 1252 An Act to Authorize Water and Wastewater Districts to Lease Their Assets
Sponsor: McLaughlin
OPA position: none Committee action: OTPA
PL 267
- 1261 An Act to Support Clean and Efficient Energy for the Future of Maine's Economy and Environment
Sponsor: Treat
Min effic standards for certain products; increases wires charge to 2 mils; 1mil assessment to fund the Clean Energy Fund; sets goals for increasing renewable generation; establishes the Clean Energy Advisory Committe
OPA position: support Committee action: HELD OVER
- 1312 An Act to Ensure and Encourage the Generation of Electricity from Renewable Resources
Renamed: Resolve, Relating to Renewable Resources
Sponsor: Colwell
Amends RPS(not the %); after 3/1/05,no less than .5% of mix must be from new renewables, increasing to 5% by 2014; Renewable Resource Fund established by PUC.
OPA position: support Committee action: OTPA
PL 151

*Bills with an asterisk next to the disposition were voted out ONTP only because the issues presented in the bills were preserved in other bills. These bills were not counted for purposes of the percentage of bills approved or rejected.

- 1317 An Act to Strengthen Maine's "Do Not Call" List
Sponsor: Sullivan
OPA position: none Committee action: ONTP
- 1321 An Act Regarding Energy Efficiency Standards
Sponsor: Adams
Amends Maine law to conform building standards to ASHRAE Standards.
OPA position: support Committee action: **OTPA
PL 151**
- 1359 An Act to Establish the Locally Governed Water District Act
Sponsor: Daggett
OPA position: q support Committee action: ONTP div rpt
Died on the Floor
- 1360 An Act to Create a No-contact List and Prohibit Unsolicited E-mail
Sponsor: Douglass
OPA position: none Committee action: HELD OVER
- 1373 Resolve, To Establish the Commission on Comprehensive Energy Planning
Sponsor: Adams
OPA position: nf/na Committee action: ONTP
- 1423 An Act to Facilitate the Implementation, Maintenance and Operation of the E911
Emergency System
Sponsor: Bliss
OPA position: none Committee action: **OTPA
PL 359**
- 1444 An Act to Facilitate E911 for Multiline Telephone Systems
Sponsor: Bliss
OPA position: none Committee action: **OTPA
PL 478**
- 1483 An Act to Improve the Ability of the PUC to Enforce State Laws, Rules and
Requirements
Sponsor: Bliss
OPA position: support Committee action: **OTPA
PL 505**

*Bills with an asterisk next to the disposition were voted out ONTP only because the issues presented in the bills were preserved in other bills. These bills were not counted for purposes of the percentage of bills approved or rejected.

<u>1494</u>	Resolve . . . Rule 306 Information Disclosure Sponsor: Bliss OPA position: support	Committee action:	OTP Resolve 46
<u>1495</u>	Resolve. . . Rule 311 Resource Portfolio Requirements Sponsor: Bliss OPA position: support	Committee action:	OTP Resolve 22
<u>1595</u>	An Act to Enhance Electric Utility Consumer Protections Sponsor: Colwell OPA position: q. supp.	Committee action:	OTPA PL 412

* Bills with an asterisk next to the disposition were voted out ONTP only because the issues presented in the bills were preserved in other bills. These bills were not counted for purposes of the percentage of bills approved or rejected.



Speaking Engagements; July 1, 2002 to June 30, 2003

A. Stephen Ward

July 24, 2002 **U.S. Senate**, Committee on Energy and Natural Resource, Washington, D.C., testimony on electricity portions of 2002 Energy

July 25, 2002 **Coastal Enterprises, Inc.**, Bath: "A Future for Wiscasset after Maine Yankee"

August 19, 2002 **Maine Community Action Association**, Augusta: "Ways of Improving Energy Assistance for Low-income Customers"

September 10, 2002 **Maine World Affairs Council**, Westbrook: meeting with visitors from Taiwan

September 20, 2002 **AARP, Augusta Chapter**: "Electricity Restructuring Issues"

September 25, 2002 **Energy Expo, USM**, Gorham: Update on Regional Electric Issues

January 23, 2003 **Maine Interfaith Power and Light**, Portland: Press conference

April 2, 2003 **Maine Telephone Users Group**, Augusta: "Recent Telecommunications Developments"

April 22, 2003 **York County Retired Teachers Association**, South Berwick: "Shopping for Electricity"

May 12, 2003 **Lincoln County Energy Planning Forum**, Wiscasset: "Long-range Planning and Short-term Budget Impacts from Energy Choices"

June 9, 2003 **National Association of State Utility Consumer Advocates**, Portland, Oregon: "Cellular Telephone Eligibility for USF Funding"

June 19, 2003 **Telephone Association of Maine**, Rockport: "The View from Augusta"

B. Wayne Jortner

July 2, 2002 **Augusta Rotary Club**: Telephone Options and Telecommunications Issues

August 13, 2002 **Adelphia Cable TV Show – Our Town**, Augusta: Telephone Options and Telecommunications Issues

October 9, 2002 **Boothbay High School**, Boothbay Harbor: Telephone Options and Telecommunications Issues

November 13, 2002 **Interview by Jennifer Rooks WCSH-TV**, Cony High School: Telephone Options and Telecommunications Issues

December 16, 2002 **Westbrook Vocational High School**, Westbrook: Telephone Options and Telecommunications Issues

December 18, 2002 **Erskine Academy**, South China: Telephone Options and Telecommunications Issues

- February 15, 2003 **University of Maine – Augusta – ECO 102**: Regulations & Telecommunications Issues
- February 24, 2003 **Dirigo High School**, Dixfield: Telephone Options and Telecommunications Issues
- February 26, 2003 **Ellsworth Housing Authority**, Ellsworth: Telephone Options and Telecommunications Issues
- April 17, 2003 **North Yarmouth Seniors Group**, Yarmouth: Telephone Options and Telecommunications Issues
- April 30, 2003 **Bar Harbor Housing Authority**, Bar Harbor: Telephone Options and Telecommunications Issues
- May 12, 2003 **Cotton Mill Apartment Residents**, Hallowell: Telephone Options and Telecommunications Issues
- May 27, 2003 **Parsonfield 21 Club**, Parsonfield: Telephone Options and Telecommunications Issues

C. Ron Norton

- August 15, 2002 **University of Maine – Augusta – ECO 102**: Regulations & Telecommunications Issues
- September 9, 2002 **Louisiana Public Service Commission**, Baton Rouge: Performance Based Regulation and Productive Efficiency Offsets in a Price Cap Formula
- November 27, 2002 **Kennebec Valley Technical College**, Augusta: Economic Regulation in Maine and the U.S.
- December 6, 2002 **University of Maine – Augusta – Public Policy Class**: DATA Envelopment Analysis & the BHE Price Cap Formula
- June 10, 2003 **University of Maine – Orono**, Augusta: Utility Regulation & Public Policy

D. William Black

- January 23, 2003 **Fryeburg Selectmen's Meeting**: Rights to Underground Water
- April 2, 2003 **Maine Telephone Users Group**, Augusta: Recent Issues in Regulation

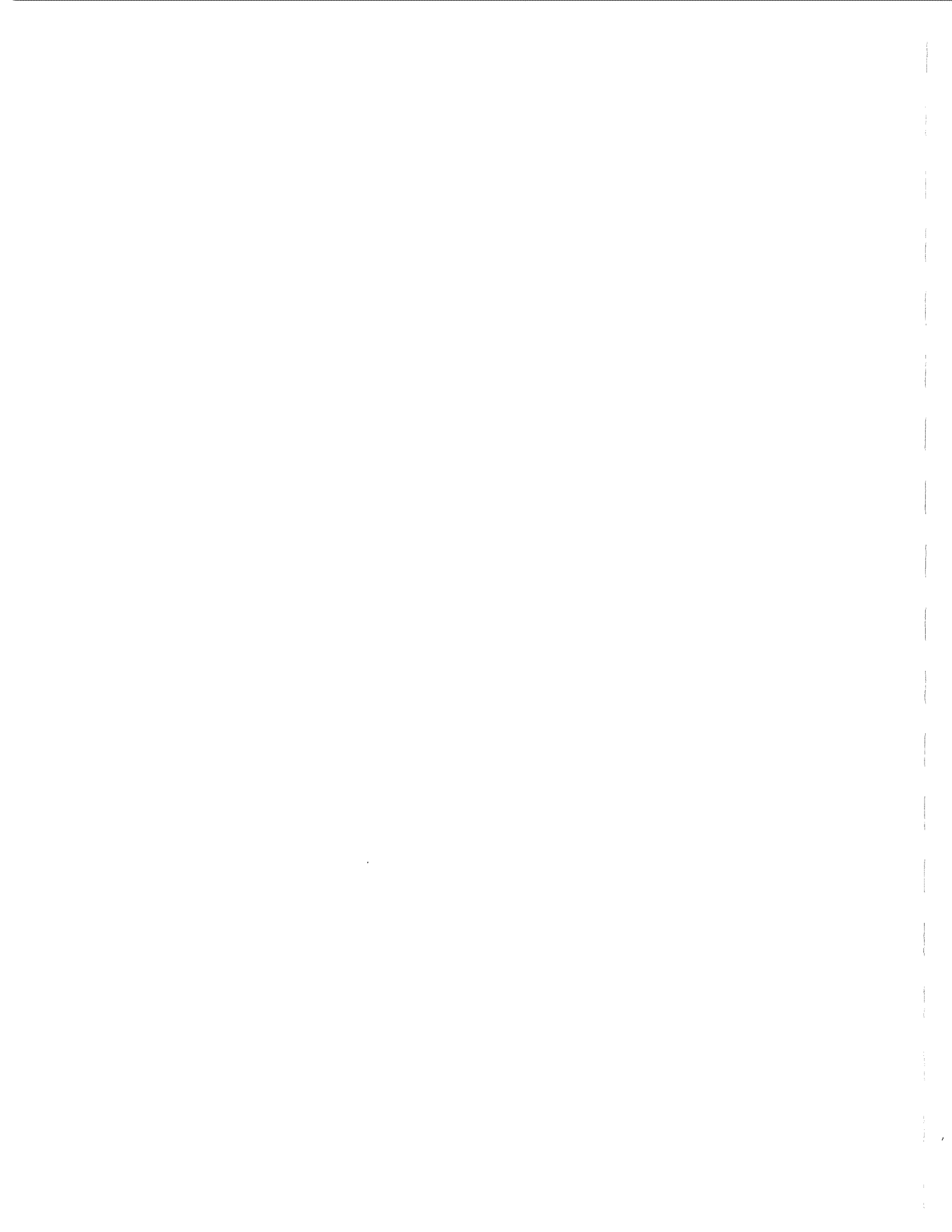
Coalition Memberships

Maine Electric Efficiency Coalition

- Natural Resources Council of Maine
- Maine Council of Senior Citizens
- AARP
- Maine Community Action Association
- Chewonki Foundation
- Maine Center for Economic Policy
- Industrial Energy Consumer Group
- S&S Technologies, Inc.
- Coalition for Sensible Energy
- Maine Physicians for Social Responsibility
- Coastal Enterprises Inc.
- Maine Global Climate Change, Inc.
- Energetic Management Associates
- Maine Council of Churches
- Department of Economic and Community Development
- Environment Northeast
- Office of Public Advocate

Maine Electric Consumers Coalition

- AARP
- Maine Council for Senior Citizens
- Maine Community Action Association
- Industrial Energy Consumer Group
- Coalition for Sensible Energy
- Energetic Management Associates
- Maine Independent Energy Producers Association
- Coastal Enterprises Inc.
- Natural Resources Council of Maine
- Competitive Energy Services
- Kennebec Valley Community Action
- Maine Global Climate Change, Inc.
- Department of Economic and Community Development
- International Brotherhood of Electrical Workers, Local 1837
- Environment Northeast
- Office of Public Advocate



Public Advocate Staffing Summary: Cumulative Hours at 07/01/03

	Cummulative Total	Cumulative %	% of Direct Hours	Total Direct
PUC				
Electric	3208.5	18.44%	32.67%	
Telephone	2281.0	13.11%	23.22%	
Gas	303.2	1.74%	3.09%	
Water	874.3	5.02%	8.90%	
PUC Total	6667.0	38.31%	67.88%	
FEDERAL				
FERC	256.0	1.47%	2.61%	
FCC	316.5	1.82%	3.22%	
ISO/NE	570.5	3.28%	5.81%	
NASUCA	466.5	2.68%	4.75%	
Congress	0.0	0.00%	0.00%	
LLW Compact	61.0	0.35%	0.62%	
Federal Total	1670.5	9.60%	17.01%	
CONSUMER				
Complaints	665.5	3.82%	6.78%	
Public Speaking	171.5	0.99%	1.75%	
Coalition	89.0	0.51%	0.91%	
Consumer Total	926.0	5.32%	9.43%	
LEGISLATURE				
Policy	165.5	0.95%	1.69%	
Hearings	392.5	2.26%	4.00%	
Legislature Total	558.0	3.21%	5.68%	
ADMINISTRATION				
Administration	7336.0	42.15%		
Training	246.5	1.42%		
Administration Total	7582.5	43.57%		
TOTAL	17404.0	100.0%	100.0%	9821.5