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**2005 ANNUAL REPORT ON
CONSUMER ASSISTANCE**



**MAINE PUBLIC UTILITIES COMMISSION
CONSUMER ASSISTANCE DIVISION**



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May 2, 2006

The Honorable Philip Bartlett, II, Senate Chair
The Honorable Lawrence Bliss, House Chair
Committee on Utilities and Energy
c/o Office of Policy & Legal Analysis
#13 State House Station
Augusta, Maine 04333-0013

Dear Senator Bartlett and Representative Bliss:

Enclosed for your information is the Commission's Annual Report on Consumer Assistance. This report is a summary of the activities of the Consumer Assistance Division in 2005, including the investigation and resolution of disputes between consumers and utilities, utility compliance with consumer-related statutes and rules, and enforcement actions initiated against utilities for violations of Maine's consumer protection statutes and Commission rules.

I hope you find this report useful. If you have any questions, please contact me by telephone at 287-1596, by e-mail at derek.d.davidson@maine.gov, or by mail at 18 State House Station, Augusta, ME 04333-0018.

Sincerely,

Derek D. Davidson, Director
Consumer Assistance Division

Enclosure

cc: Utilities and Energy Committee Members
Lucia Nixon, Legislative Analyst
PUC Commissioners
PUC Division Directors



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ANNUAL REPORT ON CONSUMER ASSISTANCE 2005

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I. INTRODUCTION

The Maine Public Utilities Commission (the "Commission") is an independent agency created by the Maine Legislature to ensure safe, adequate and reliable utility service at rates that are just and reasonable for both consumers and public utilities. The Commission has jurisdiction over electric, gas, water, and telephone utilities and ferries in Casco Bay. The Commission grants utility operating authority, regulates utility rates and service standards, responds to consumer questions and complaints, monitors utility operations for safety and reliability, ensures the protection of underground facilities, oversees electric energy efficiency programs and oversees the development and implementation of emergency services communications (E-911).

The Consumer Assistance Division (the "CAD") is the Commission's primary link with utility consumers. Duties of the CAD include investigating and resolving disputes between consumers and utilities; responding to information requests; screening requests from utilities seeking to disconnect gas or electric service in the winter; reviewing requests from utilities for waivers of Commission rules; assessing utility compliance with consumer-related statutes, Commission rules and utility tariffs; bringing enforcement actions for violations by utilities of Maine's consumer protection statutes and Commission rules; and participating in Commission rulemakings and other docketed cases involving consumer issues. The CAD also assists utilities in designing and operating effective consumer service programs that are fair to both consumers and utilities.

The CAD seeks to educate and inform consumers and utilities about utility-related consumer issues and consumer rights and responsibilities to promote understanding and prevent disputes. The CAD's role as an educator has expanded in recent years as the regulated utility industry has changed, due to the development of competition in the telecommunications industry and the restructuring of the electric industry. This report is a summary of the CAD's activities in 2005.

II. THE YEAR IN REVIEW

The CAD's major initiatives in 2005 included continued efforts to improve the quality of service provided by the CAD; investigating slamming complaints and participating in the resulting enforcement actions; holding workshops to discuss ways to assist customers who had difficulty paying their utility bills this winter due to the high cost of fuel oil, kerosene, propane, and natural gas; participating in the revision of Commission rules; and addressing complaints about the ability of inmates to place calls from correctional facilities in Maine. These topics are discussed in more detail below.

A. CAD Initiatives to Improve its Service Quality

1. Customer Satisfaction Survey

In an effort to ensure that the CAD is providing the best possible service to the public, 1,300 customers who filed complaints with the CAD between July 1, 2004 and June 30, 2005 were surveyed to obtain their feedback on the assistance they received. Customers were asked the following questions:

- How did you learn about the Maine Public Utilities Commission and the services of its Consumer Assistance Division? (The choices were: your utility, the media, a social service agency, and other. If "other" was chosen, the customer was asked to provide more details.)
- If you spoke with a Consumer Assistance Division staff member on the telephone, was the person you spoke with knowledgeable? helpful? courteous? (The choices were: yes, somewhat, and no. If "somewhat" or "no" was chosen, the customer was asked for comments on what could be improved.)
- How quickly did we resolve your dispute? (The choices were: the same day, within 10 days, within 30 days, and more than 30 days.)
- Were you satisfied with the timeliness of the resolution? (The choices were: yes, somewhat, and no. If "somewhat" or "no" was chosen, the customer was asked for comments on what could be improved.)
- Overall, how would you rate the service you received from this office? (The choices were: excellent, good, fair, and poor. If either "fair" or "poor" were chosen, the customer was asked for comments on what could be improved.)

Over 16% of the customers surveyed submitted a response. Customers said they learned about the PUC and the CAD from their utility (31%), the media (16%), or a social services agency (3%). Others (50%) learned of the CAD from friends or family, through the Internet or telephone book, or were aware of the CAD based on personal experience.

Nearly 90% of the respondents said the CAD staff member they spoke with was knowledgeable, 86% said they found staff to be helpful, and 94% said staff was courteous. Many customers commented that they were very pleased with the CAD's service, while other customers provided suggestions on how the CAD could improve its service.

Over 81% of the respondents said the CAD resolved their dispute within 30 days. Of those, 15% said their dispute was resolved on the same day and an

additional 39% said their dispute was resolved within 10 days. Almost 78% of the respondents said they were satisfied with the timeliness of the CAD's resolution of their complaint. Several customers wrote that the delay in resolution was not the fault of the PUC, while others provided suggestions on how the CAD could improve its service.

Over 87% of the respondents rated the service they received from the CAD as good or excellent. Many customers stated they were very pleased with the CAD's service, while other customers provided suggestions on how the CAD could improve its service.

The CAD has reviewed all of the comments submitted and is working to address consumers' concerns with its process and individual staff performance. Customer surveys will be sent out quarterly to assist the CAD in continually improving the service it provides to consumers.

2. Electronic File Retention

Another CAD service quality improvement initiative in 2005 was the development of an electronic filing system for the retention of all documents and files associated with consumer complaints, information requests, and utility winter disconnection requests. The goal of this project was to provide a common location for electronic storage of documents and files and to reduce the amount of paper generated and retained by the CAD. Unlike electronic filings for docketed cases and tariffs, the CAD's files will not be available electronically through the Commission's web page due to the confidentiality of certain customer information.

B. Slamming Penalty Imposed

Consumers in Maine have the right to choose which company provides their local and long distance telephone service. Sometimes a change in service is made without a consumer's knowledge or consent. This practice, known as "slamming," violates state and federal laws, as well as rules of the Maine Public Utilities Commission and the Federal Communications Commission (FCC). The Maine Commission has jurisdiction over slamming complaints involving local service (dial tone) and intrastate toll service. The FCC has jurisdiction over interstate and international toll service. While the Maine Commission can help consumers whose interstate telephone service is changed without their authorization to obtain a refund, it does not have the authority to impose a fine against carriers for interstate slams—that authority rests with the FCC. Both state and federal slamming rules require carriers to retain proof of customer authorization for a carrier change. This authorization is most often retained in the form of a recorded verification performed by a third party.

In 2005, the CAD received 20 complaints from consumers who alleged that their preferred telecommunications carrier was changed to Spectrotel, Inc. (a local

and long-distance telecommunications provider) without their authorization. The CAD's investigation revealed that Spectrotel initiated changes of local telephone service in 16 of the 20 cases in which customers asserted either that they were unaware that their service was being changed to Spectrotel or that they were led to believe the pending Verizon/MCI merger required them to change carriers to Spectrotel. For the remaining four cases, the CAD found that no change in the customers' service occurred due to a preferred carrier freeze. In the 16 cases in which the CAD found that slamming occurred, it ordered full refunds to customers totaling over \$2,100.

In July 2005, Spectrotel agreed to pay an administrative penalty of \$15,000 to resolve the slamming complaints. In addition to the penalty and the restitution to customers, Spectrotel agreed not to market or assume any new customers in Maine and to voluntarily abandon service in Maine upon elimination of its existing customer base through attrition.

C. Winter Assistance Workshops

The Commission met with representatives of Maine's electric and gas utilities and state assistance providers on October 18 and November 3, 2005 to discuss ways to assist customers who have difficulty paying their utility bills this winter due to the high cost of fuel oil, kerosene, propane, and natural gas. Since customers receive winter disconnection protection for utility service but not for fuel oil, kerosene, and propane service, it was expected that some customers might use their limited financial resources to pay fuel oil and propane costs instead of their utility bills.

The Commission updated workshop attendees on state initiatives to assist customers with paying their energy bills during the winter, and solicited input on ways to address potential utility bill payment problems. Attendees discussed options for providing financial assistance to customers to pay their utility and heating costs for the upcoming winter, how to prevent utility arrearages from accumulating to the point where customers would not be able to pay off the arrearage, and how to address very high arrearages at the end of the winter period. Electric and gas utilities agreed to take the following actions:

- Provide the CAD with monthly arrearage figures by the 15th of each month beginning in December 2005. The first monthly report included monthly data for five years and included both standard offer and total arrearage amounts, if available.
- Eliminate the requirement that customers stay current on their bills throughout the winter period as a condition of receiving a Low Income Assistance Program (LIAP) benefit.
- Offer individualized and standardized special payment arrangements to all customers.

- Accept partial payments from all customers during the winter period. If a customer offered a reasonable payment, utilities would accept the payment and establish a reasonable payment arrangement based on the customer's offering. Each customer's specific situation would determine what amount is "reasonable."
- If operating a LIAP that provides lump-sum benefits in the spring or summer, the utility would provide the benefit during the winter period to eligible customers experiencing payment troubles.

In addition, Central Maine Power (CMP) allowed customers enrolled in its Electric Lifeline Program (ELP) who did not have a deferred arrearage to enter into special and regular payment arrangements without losing their ELP benefits. Customers with a deferred arrearage are not eligible for a special or regular payment arrangement, but did not lose their ELP benefit if they failed to pay their entire co-payment amount.

CMP and Maine Public Service continued operating their "Gatekeeper Programs" while Bangor Hydro-Electric and Northern Utilities reactivated or established a "Gatekeeper" program. With these programs, utility staff visiting customer homes alerted the appropriate assistance agency of crisis or emergency situations where intervention might be necessary.

The Commission agreed to closely monitor the arrearage situation during the winter through the monthly utility reports, and might open a proceeding if arrearage amounts became excessive.

D. Revisions to Commission Rules

1. Chapter 314

Chapter 314, which was initially adopted in 2001, established a Statewide Low-Income Assistance Plan to help qualified low-income customers pay their electric bills and mandated Low-Income Assistance Programs (LIAPs) for transmission and distribution utilities. During its 2005 session, the Legislature directed the Commission to establish a program to provide financial assistance to low-income customers who, for health reasons, must use an oxygen pump. The Legislature further directed the Commission to ensure that benefits be reasonably equivalent in each transmission and distribution utility territory. The Legislature required that the new assistance program be achieved without reducing benefits provided under existing assistance programs and that reasonable costs incurred by a transmission and distribution utility in implementing the assistance program be recoverable through the utilities' various rate proceedings. Chapter 314 was revised to incorporate the new statutory requirements to provide financial assistance to users of oxygen pumps.

2. Chapter 81 and Chapter 86

One of the CAD's major projects in 2005 was to begin revising Chapter 81 and Chapter 86, the Commission's consumer protection rules for electric, gas and water utilities. Since the last major revisions to Chapter 81 were made in 1988 and Chapter 86 has not been revised since it was adopted in 1985, the rules need to be updated to reflect changes in both utility regulation and Commission procedures.

A Notice of Inquiry was issued on January 13, 2005 to collect information needed to guide staff in drafting revised rules. In the Notice, the Commission sought comments from interested parties on combining Chapters 81 and 86 into a single rule, as well as separating the requirements for electric, water, and gas utilities into individual rules. The Notice also proposed removal of obsolete sections of the rules and updating requirements to reflect changes in the utility markets (electric in particular) that have occurred since the rules were last revised in 1988. In addition, comments were sought on the current winter disconnection process, which prohibits electric and gas utilities from disconnecting a customer's service during the winter period without first obtaining permission from the CAD. Many comments were received in response to the Notice of Inquiry. Staff has reviewed these comments and is drafting revised rules. Comments on the draft rules will be sought from all interested parties and incorporated into a final rule that will be presented to the Commission for review and adoption sometime during 2006.

E. Collect Calls from Maine Correctional Facilities

In early 2005, the CAD began receiving complaints from inmates about their inability to make collect calls and from their family members about their inability to receive collect calls. The CAD learned that Verizon Select Services, Inc. (VSSI) became the network provider for all collect calls originating from the Maine State Prison and the Bolduc Correctional Facility in April 2005. In situations in which VSSI did not have a billing arrangement with the end-user's local service provider, VSSI could not charge the end-user so it would not carry the call. To correct this problem, VSSI created a prepaid calling option for inmates. This option allowed consumers to establish an account balance from which the cost of each collect call accepted would be deducted. For end-users whose local service provider had a billing arrangement with VSSI, collect calls originating from the correctional facilities could be automatically billed on their local phone bill, as had been the practice prior to VSSI becoming the network provider.

After VSSI implemented its prepaid calling option, the CAD received complaints that the plan was unfair because it singled out consumers who were served by local service providers other than Verizon. In response to these concerns, the CAD met with representatives from the Maine Department of Corrections, the Attorney General's Office, the Office of the Public Advocate and Verizon to discuss potential solutions. As a result of this meeting, VSSI created a "Direct Bill Option" for

inmates who called individuals who used a local service provider with whom VSSI did not have a billing arrangement. VSSI would establish an account and directly bill the end-user customer for all accepted collect calls. Inmates would be able to place collect calls, as they had prior to the implementation of the prepaid calling plan, and the end-user would be directly billed by VSSI for those calls. For inmates calling end-user customers of Verizon or any other local service provider for whom VSSI had a billing arrangement, the accepted collect calls would appear on the end-user's local phone bill. VSSI's Direct Bill Option became available in July 2005.

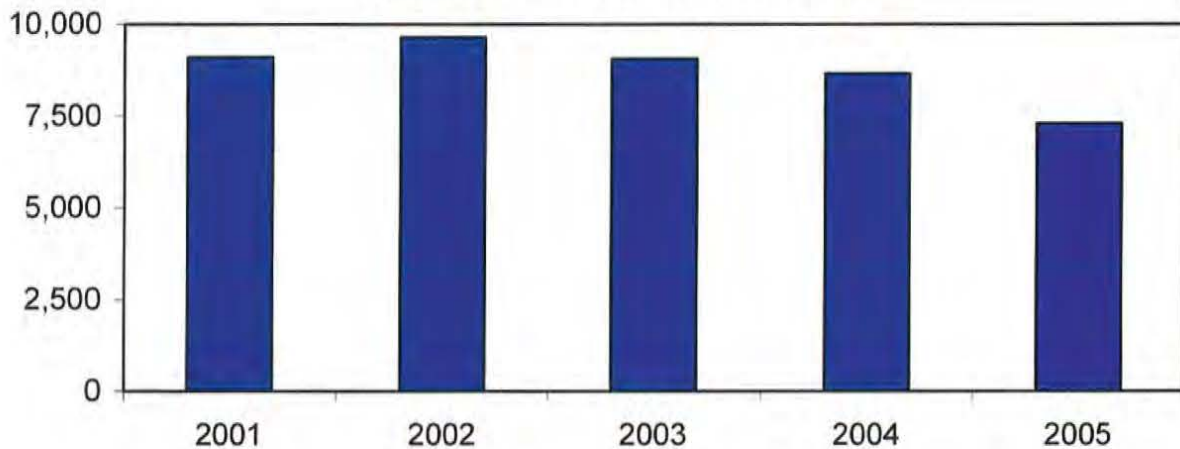
The CAD also received complaints that VSSI was overcharging consumers for some collect calls placed from the Maine State Prison. The CAD learned that calls made on Saturdays from May through September were incorrectly charged at the higher, weekday rate rather than the lower, weekend rate. To correct the overcharge, a total of \$3,660 was refunded to 187 Maine consumers. Most of the individuals receiving refunds were family members and acquaintances of inmates who received collect calls from the inmates.

On December 1, 2005, Public Communications Services, Inc. assumed VSSI's contract with the Maine Department of Corrections to provide collect call services to inmates. After the change in network providers, the CAD received complaints that collect calls from correctional facilities were being blocked and that the rates charged were higher than expected. In its investigation, the CAD learned that consumers had been overcharged for collect calls placed from the Maine State Prison and the Bolduc Correctional Facility between December 1 and December 29, 2005. As a result, customers' prepaid account balances were drawn down more quickly than expected and collect call blocks were placed once the account balance was expended. To correct the overcharge, \$14,225.11 was refunded to 1,085 Maine consumers.

III. CAD CONTACTS

The CAD received 7,304 contacts from consumers and utilities in 2005, a 16% decrease from 8,660 contacts in 2004 and a 20% decrease from 9,067 in 2003. Consumer contacts include requests for assistance from residential and business customers who have disputes with utilities as well as requests for information, while utility contacts include requests by electric and gas utilities for authorization to disconnect customers during the winter period as well as guidance on the interpretation of Commission rules. As shown in Figure 1, the number of CAD contacts has decreased each of the past three years, which is a reflection of the reduction in both complaints and information requests. Each of these categories is discussed in more detail below.

Figure 1: CAD Contacts 2001-2005



The CAD receives the majority of its inquiries from consumers over its toll free Consumer Assistance Hotline and strives to answer calls live as opposed to using an automated call answer system. In 2005, 97% of the calls to the CAD's Hotline were answered live. By answering the majority of calls live, many of the consumer complaints received by the CAD were resolved immediately over the phone.

Use of on-line services provides consumers with an alternative to traditional methods of contacting the CAD. Consumers can ask the CAD for assistance through the Commission's web site (<http://www.maine.gov/mpuc/consumer/complaint/index.html>), which takes users through a series of steps to ensure that the CAD will be able to assist them in resolving their dispute. The first level informs the user which utilities the Commission regulates, because the CAD is unable to assist consumers with disputes involving companies it does not regulate. The next level informs users that they must first contact their utility to attempt to resolve their dispute. The next level informs users of the methods available to contact the CAD, and briefly explains the process the CAD will use to investigate the dispute. Finally, if users contacted their utility but were unable to resolve their dispute, they are routed to an on-line complaint form.

Consumer complaints entered through the Commission's web site are forwarded by e-mail to the CAD. In addition, the CAD occasionally receives e-mails directly from consumers. The CAD received 202 e-mails from consumers in 2005, a 42% decrease from 346 e-mails in 2004 and a 44% decrease from 363 e-mails in 2003. This decrease is in line with the overall decline in contacts from consumers.

A. Consumer Complaints

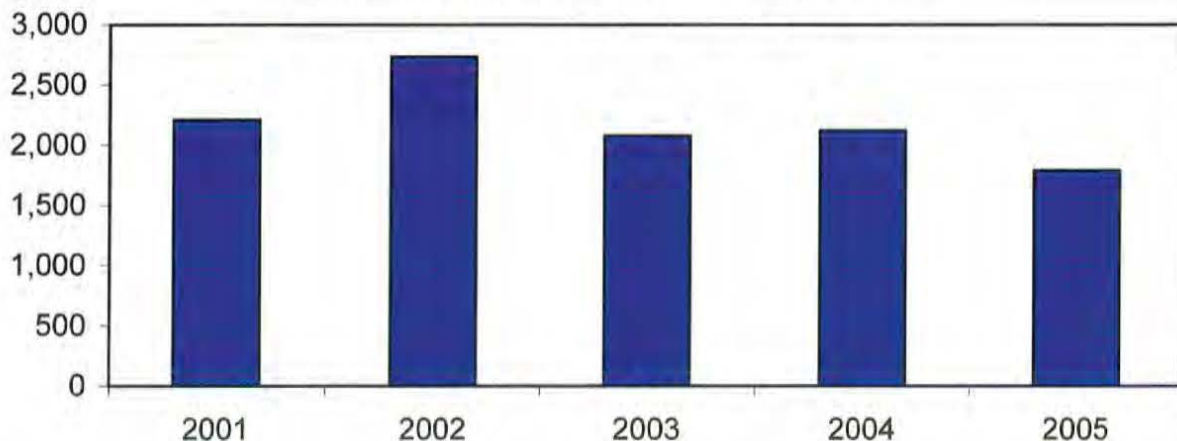
The CAD defines a complaint as a dispute between a utility (regulated by the Commission) and a consumer that the consumer has been unsuccessful in resolving with the utility. The CAD attempts to mediate disputes between consumers and their utility whenever possible. Many types of disputes are well suited to mediation,

including requests for payment arrangements, repairs, medical emergencies, and many billing issues. Mediation may involve a three-way call among the consumer, the utility, and the CAD, or may involve the CAD talking with each party separately. Use of mediation to resolve consumer complaints increases efficiency and, in most cases, results in a high degree of consumer satisfaction with the resolution.

If a complaint received by the CAD cannot be mediated, the CAD notifies the utility of the complaint and requests information needed to reach a resolution. The CAD reviews the utility's response to ensure the actions that led to the complaint were in compliance with Commission rules and the utility's own terms and conditions of operation. The CAD may also seek assistance from other Commission staff to obtain answers to technical questions. After its review, the CAD discusses its findings with the consumer and, in many instances, is able to reach an agreement between the parties. If an agreement cannot be reached, the CAD has the authority to issue a binding decision directing either the consumer or the utility to take specific action. The CAD may also find that the resolution initially proposed by the utility was reasonable. Decisions made by the CAD can be appealed to the Commission.

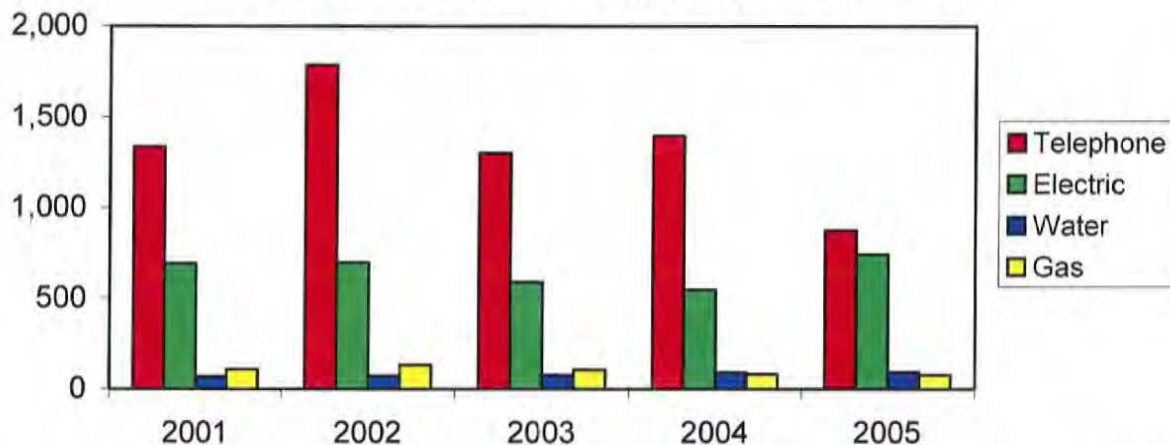
Complaints Received. As shown in Figure 2, the CAD received 1,789 consumer complaints in 2005. This is a 16% decrease from 2,121 complaints in 2004 and a 14% decrease from 2,079 in 2003.

Figure 2: Consumer Complaints 2001-2005



The decrease in complaints received in 2005 is due primarily to the decrease in telecommunications complaints. As shown in Figure 3, the number of telecommunications complaints decreased by 27% in the past year. Electric complaints increased by 35% and complaints against water and gas utilities were about the same as in 2004. For more information on complaint trends, as well as details of the types of complaints received against specific utilities, please refer to Section IV, Utility Complaint Profiles.

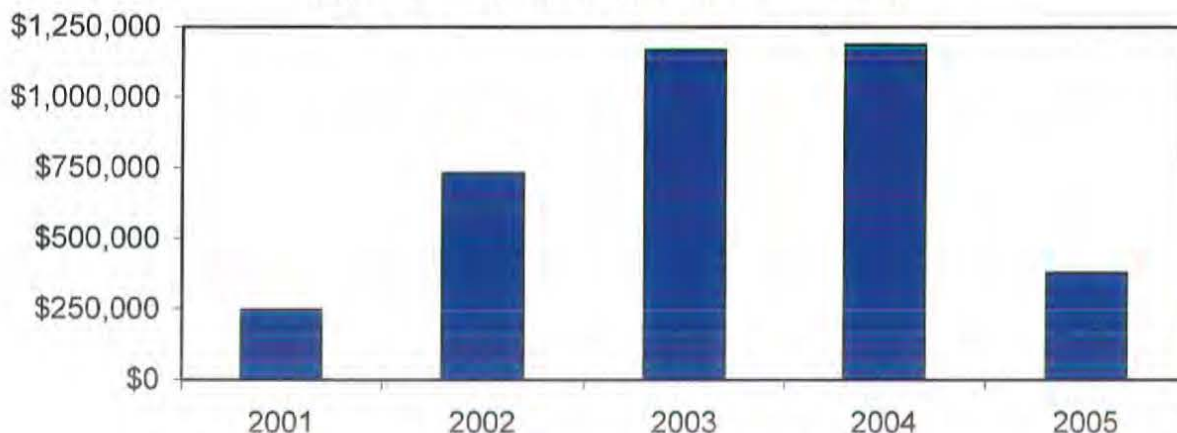
Figure 3: Consumer Complaints (by Utility Type)



Complaints Resolved. The CAD resolved 1,674 complaints in 2005, 20% fewer than 2,095 complaints resolved in 2004, and 35% fewer than 2,566 in 2003. The decrease in the complaints resolved was due to fewer complaints being received. In 2005, the CAD resolved 64% of the complaints within 30 days of receipt, an increase from 62% resolved within 30 days of receipt in 2004 and 53% in 2003. The CAD mediated resolutions in 510 of the 1,674 complaints resolved in 2005.

Abatelements. The CAD frequently obtains credits or refunds for consumers as part of its resolution of the consumer's dispute with their utility. As a result of investigations completed in 2005, \$379,650 was abated by utilities for 5,630 Maine consumers. As shown in Figure 4, the amount abated to Maine consumers in 2005 was 68% less than the amount abated in 2004. This decrease is attributed to the receipt of several very large abatements in 2004 as well as the fact that fewer complaints were received and resolved in 2005. However, while the total amount abated decreased, the number of Maine consumers who received abatements in 2005 increased by 55% compared to 2004.

Figure 4: Abatement Amounts 2001-2005



As shown in Figure 5, abatements obtained by the CAD from telephone, gas and water utilities decreased in the past year, while abatements obtained for electric customers increased. The decrease in telephone abatements is due to the receipt of fewer complaints against competitive carriers in 2005. Gas abatements were higher in 2004 due to the resolution of a docketed case involving a large number of estimated bill complaints. The increase in electric abatements in 2005 is primarily the result of a large abatement for a single customer.

Figure 5: Abatement Amounts by Utility Type 2001-2005

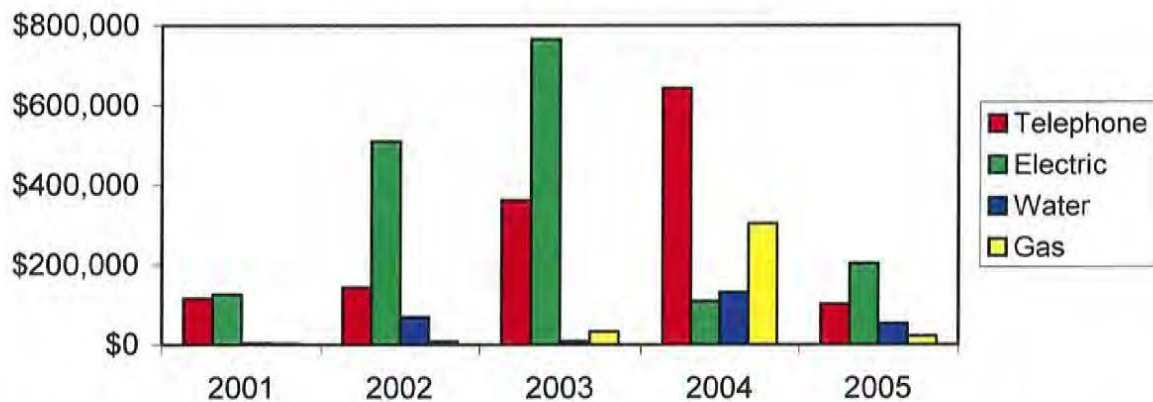


Table 1 shows the number of consumers who received abatements and the total amount abated by type of utility in 2005.

Table 1: Abatement Amounts by Utility Type

Utility Type	No. of Abatements	Amount Abated
Communications	5,453	\$101,551
Electric	56	\$203,826
Gas	19	\$21,467
Water	102	\$52,806
Total	5,630	\$379,650

Appeals of CAD Decisions. Both the consumer and the utility have the right to appeal to the Commission a decision made by the CAD. In 2005, 15 of the CAD's decisions were appealed, representing 0.9% of the cases resolved by the CAD. In 2004, 13 of the CAD's decisions were appealed, representing 0.6% of the cases resolved by the CAD. The same percentage of decisions was appealed in 2003. Of the actions taken by the Commission in 2005, it upheld the CAD's decision in 12 cases, upheld the CAD's decision in part in one case, and issued a Notice of Investigation in one case. One consumers' appeal was resolved without review by the Commission.

B. Requests for Information

Calls or letters in which the CAD simply provides information to consumers are tracked separately from consumer complaints. The CAD received 4,820 requests for information in 2005, a 19% decrease from 5,932 in 2004, and a 25% decrease from 6,396 in 2003. Consumers asked the CAD for information on utility billing practices and services, ratepayer rights and responsibilities, electricity conservation, standard offer price changes, and the types of assistance available to low-income consumers who have trouble paying their bills. Consumers also asked the CAD for guidance on resolving disputes with utilities. Many consumers contacted the CAD about utility services not regulated by the Commission, such as wireless, cable, and propane (the Commission has safety, but not rate, jurisdiction over propane systems).

C. Requests for Winter Disconnection

Requests by electric or gas utilities to disconnect consumers during the winter period are also tracked separately. It is the Commission's policy that during winter months when severe weather conditions can pose a threat to health and safety, residential customers of electric and gas utilities should not be disconnected because of their inability to pay the entire amount owed. It is also the Commission's policy that utilities should attempt to enter into payment arrangements with their customers, and that customers must pay a reasonable portion of each utility bill when due during the winter period to avoid accumulation of arrearages that will be difficult to pay on a reasonable schedule during the summer months.

These policies are stated in the preface to the Commission's rules on "winter disconnection." The policies apply to the period between November 15 and April 15. During this period, a utility may disconnect service to an occupied dwelling only after it has received authorization from the CAD. However, both Central Maine Power Company (CMP) and Bangor Hydro-Electric Company (BHE) have obtained exemptions from this requirement and may disconnect a customer without authorization from the CAD if they have sufficient evidence that the residence is vacant.

As shown in Table 2, the CAD received 695 requests from utilities to disconnect consumers' gas or electric service during the winter of 2004-2005, compared to 607 requests in 2003-2004 and 532 requests in 2002-2003. The increase in 2004-2005 was due to an increase in requests submitted by CMP. Of the 2004-2005 requests for winter disconnection, 28% were granted. In all cases in which the request was granted, the residence had been abandoned. Requests to disconnect were denied if a payment arrangement was established for the consumer pursuant to the winter disconnection rule or if payment was made, thereby avoiding the need for disconnection.

Table 2: Winter Disconnection Requests

Utility	Requests Received	Requests Granted	Requests Denied
Central Maine Power Company	614	170	444
Eastern Maine Electric Cooperative	60	17	43
Madison Electric Works	18	6	12
Matinicus Plantation Electric Co-op	3	1	2
Total	695	194	501

D. Requests for Exemption

The CAD reviews requests by utilities for exemptions from the Commission's consumer protection rules involving a single consumer, while the Commission reviews requests for exemptions involving all or a portion of a utility's service territory. The CAD received 45 exemption requests in 2005, compared to 28 in 2004 and 22 in 2003. Of the requests received in 2005, 43 involved a utility seeking permission to add a customer's final bill to another customer's account. The CAD resolved 49 exemption requests in 2005 (some of these were received in 2004). The CAD granted 28 requests, denied 12, and 9 were withdrawn by the utility.

E. Violations of Commission Rules

The CAD identified violations by utilities of the Commission's consumer protection rules in 84 of the consumer complaints it resolved in 2005. This is a 56% decrease from 190 in 2004 and an 87% decrease from 672 in 2003. The primary reason for the decrease in complaints involving violations is that far fewer slamming complaints were received and resolved in 2005 than in previous years. Slamming is typically the most frequent utility violation. Of the complaints where violations were identified in 2005, 69% involved telecommunications carriers. In 64% of these complaints, a carrier violated Chapter 296 (the Commission's slamming rule) by making an unauthorized change in a customer's telecommunications service.

IV. UTILITY COMPLAINT PROFILES

This section profiles the performance of Maine utilities with respect to consumer complaints received during the year. Complaints received by the CAD are used to assess the complaint handling performance of the major electric, gas, water, and telephone utilities. In nearly every case, the consumer has already contacted the company about the problem prior to contacting the CAD. The exception is that slamming complaints are accepted even if the consumer has not attempted to resolve the dispute directly with the utility or the service provider.

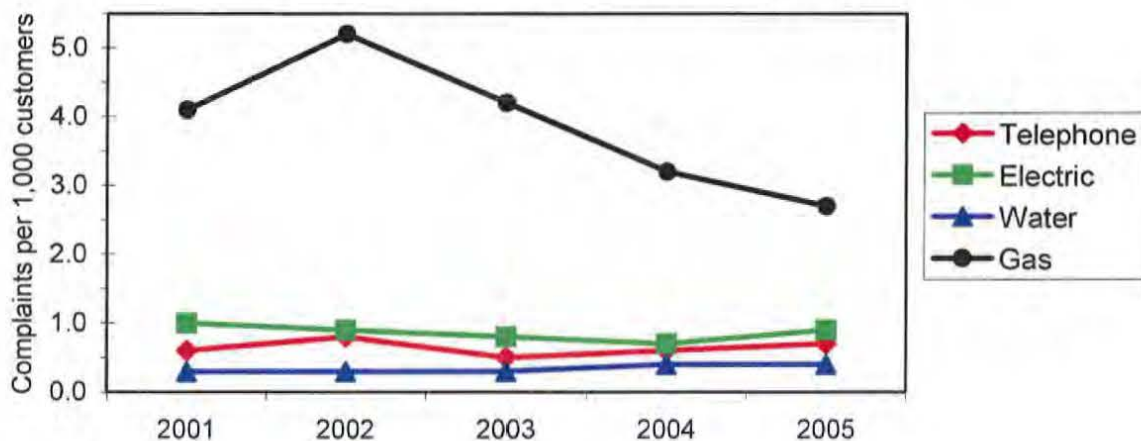
The calculation of a consumer complaint rate (consumer complaints per 1,000 consumers) allows an "apples to apples" comparison of the number of complaints

received among utilities of various sizes. The CAD has found that high consumer complaint rates or significant increases from one year to the next often indicate either service quality or customer service problems that may need to be investigated.

This section is organized by industry type. Information is provided on major utilities, as well as smaller utilities with a significant number of consumer complaints. The Appendix is a compilation of complaints received in 2005 against monopoly and incumbent utilities, broken down by the issues involved. Complaints against competitive utilities are not included due to the large number of utilities involved.

As shown in Figure 6, the complaint rates for telephone and electric utilities increased slightly in the past year, the complaint rate for natural gas utilities decreased each of the past three years, and the complaint rate for water utilities has remained about the same for the past five years. The complaint rate for natural gas utilities is primarily driven by complaints against Northern Utilities, which serves over 90% of Maine's natural gas customers. The telephone complaint rate includes only incumbent local exchange carriers; complaint rates for competitive local exchange and interexchange carriers have not been calculated because data on the number of customers is unavailable. A discussion of the complaints received for each utility type follows.

Figure 6: Complaint Rates (by Utility Type)



A. Electric Utilities

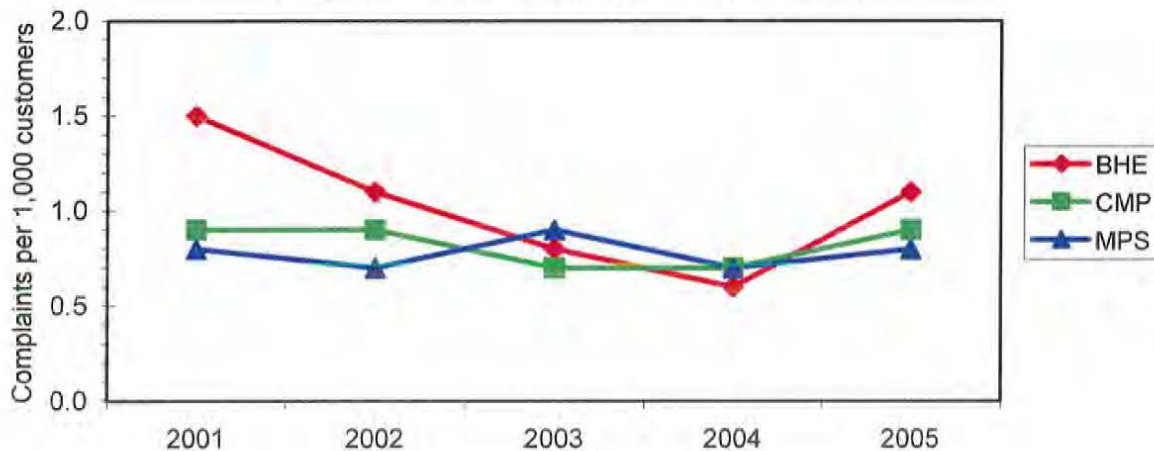
On March 1, 2000, Maine's electricity supply market was opened to competition. Electricity suppliers sell electricity to consumers, while transmission and distribution utilities deliver the electricity to homes and businesses and maintain the poles and wires to get it there. The Commission's regulation of transmission and distribution utilities is more stringent because it is a monopoly service (only one electric transmission and distribution utility is allowed to serve any one area) while electricity providers are more lightly regulated because it is a competitive service.

Thirteen electric utilities provide transmission and distribution services to Maine consumers. Central Maine Power Company (CMP), Bangor Hydro-Electric Company (BHE) and Maine Public Service Company (MPS) are investor-owned while the remainder are consumer-owned. The investor-owned electric transmission and distribution utilities serve over 96% of Maine's electric consumers and accounted for 97% of the complaints received against electric utilities in 2005.

The Commission has approved 67 competitive electricity providers to supply electricity in Maine. At the end of 2005, competitive electricity providers served 37% of the load in BHE, CMP and MPS service territories. (The remainder of the electric load is supplied by the "standard offer," with the suppliers and prices determined by a bid process conducted by the Commission.) Competitive electricity providers serve 66% of the large industrial electric consumers and 23% of the mid-sized electric consumers in BHE, CMP and MPS service territories. The retail market for residential and small non-residential consumers has been slow to develop, with competitive electricity providers serving less than 1% of these electric consumers. The CAD seldom receives complaints against competitive electricity providers.

The CAD received 712 complaints against electric transmission and distribution utilities in 2005, a 34% increase compared to 531 complaints in 2004, and a 27% increase compared to 561 in 2003. As shown in Figure 7, the complaint rates for BHE, CMP and MPS increased in the past year. Information on complaint trends and the complaints received against BHE, CMP and MPS is provided below. Complaint statistics for all electric transmission and distribution utilities are summarized in the Appendix.

Figure 7: Electric Utility Complaint Rates

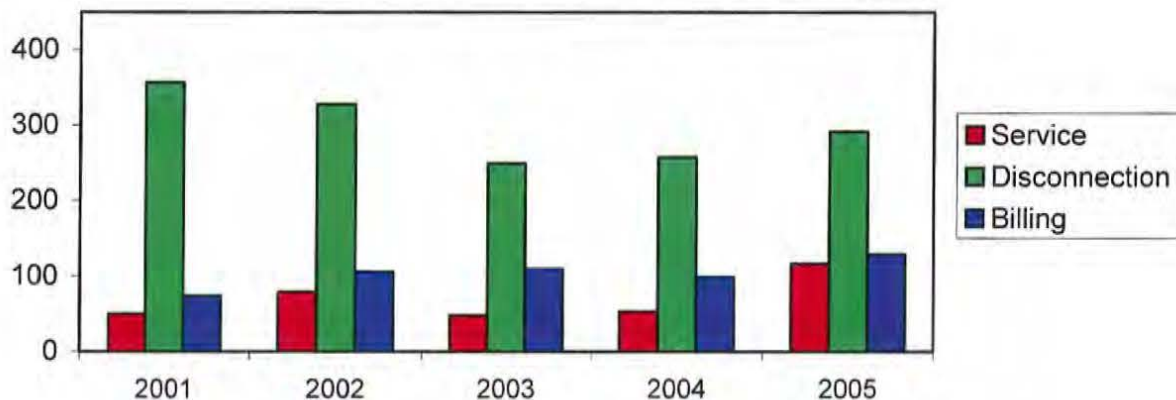


1. Central Maine Power Company

The CAD received 541 complaints against CMP in 2005, a 32% increase compared to 410 complaints in 2004 and 409 in 2003. CMP's complaint rate was 0.9 complaints per 1,000 consumers in 2005, and 0.7 in both 2003 and 2004. As

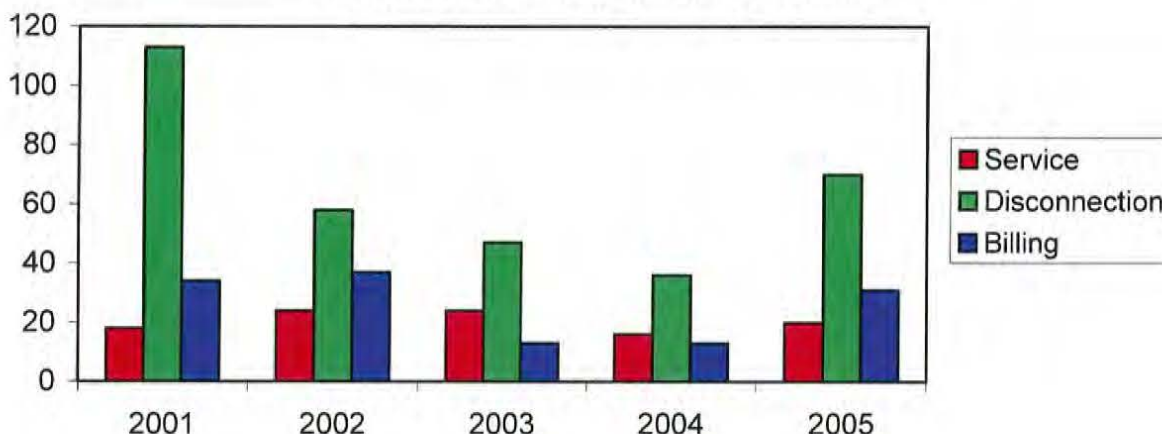
shown in Figure 8, CMP's service-related complaints and complaints about threatened or actual disconnection increased each of the past two years, while complaints about billing problems increased in the past year. The increase in disconnection complaints is attributed to customers' inability to negotiate terms to prevent loss of their electric service, while the increase in service-related complaints is attributed to the dissatisfaction of customers working with CMP to construct line extensions.

Figure 8: CMP Complaints (by Issue)



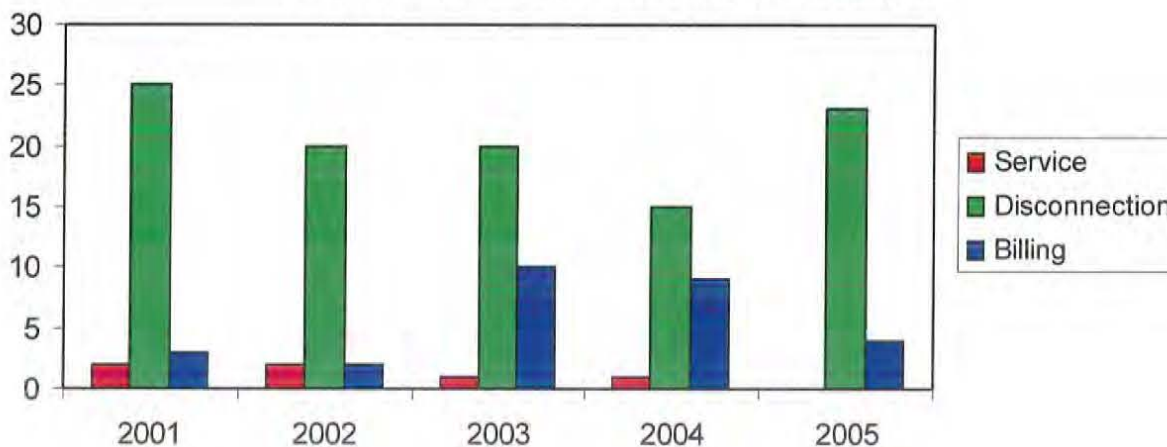
2. Bangor Hydro-Electric Company

The CAD received 122 complaints against Bangor-Hydro Electric Company (BHE) in 2005, an 82% increase compared to 67 complaints in 2004, and a 44% increase compared to 85 in 2003. BHE's complaint rate was 1.1 complaints per 1,000 consumers in 2005, 0.6 in 2004, and 0.8 in 2003. As shown in Figure 9, there was a significant increase in complaints involving threatened or actual disconnection in the past year, and a slight increase in both billing and service-related complaints. The increase in disconnection complaints is attributed to customers' inability to negotiate terms to prevent loss of their electric service. The increase in billing complaints is attributed to BHE's new automated meter reading program, which was initiated in early 2005. Many customers believed that the new automated meter over-recorded their use because monthly consumption increased after the meter was replaced. Other customers believed their old meter over-recorded their use because the new meter reflected a lower monthly consumption. Both situations resulted in an increase in the number of consumers who contacted the CAD for assistance in resolving their dispute.

Figure 9: BHE Complaints (by Issue)

3. Maine Public Service Company

The CAD received 27 complaints against Maine Public Service Company (MPS) in 2005, a 4% increase compared to 26 complaints in 2004, and a 13% decrease compared to 31 in 2003. MPS's complaint rate was 0.8 complaints per 1,000 consumers in 2005, 0.7 in 2004, and 0.9 in 2003. Since MPS has a smaller customer base than either CMP or BHE, fluctuations in the number of complaints received against MPS result in a more dramatic change in its complaint ratio. As shown in Figure 10, MPS complaints about actual or threatened disconnection increased in the past year, while complaints about billing and service-related issues decreased each of the past three years. The increase in disconnection complaints is attributed to customers' inability to negotiate terms to prevent loss of their electric service, while the decrease in complaints in the other categories is believed to be due to MPS's willingness to work with its customers to resolve their disputes.

Figure 10: MPS Complaints (by Issue)

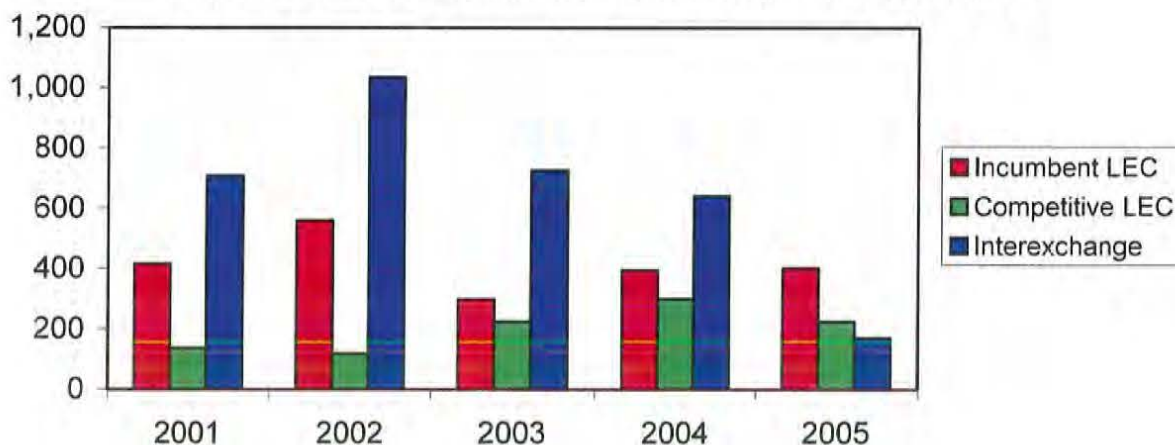
B. Telephone Utilities

There are 23 incumbent local exchange carriers (ILECs) authorized by the Commission to provide service in Maine. The CAD received 402 complaints against ILECs in 2005, a 2% increase compared to 395 complaints in 2004, and a 34% increase compared to 299 in 2003. Customers' complaints involved service-related issues (43%), disputed charges (37%) and their inability to pay their bills (20%).

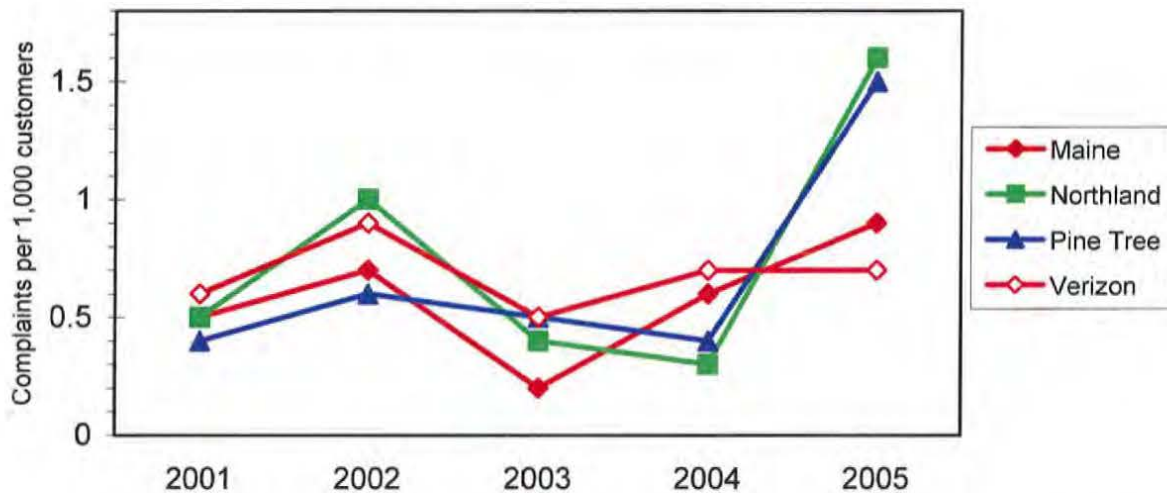
There are 84 telephone companies authorized to provide competitive local exchange service and 279 telephone companies authorized to provide in-state interexchange (toll) service (75 of these companies provide both local and interexchange service). The CAD received 396 complaints in 2005 against competitive carriers (both competitive local exchange carriers—CLECs—and interexchange carriers—IXCs), a 58% decrease compared to 942 complaints in 2004, and a 58% decrease compared to 951 in 2003. The majority of the complaints received against competitive carriers involved disputed charges (58%), service-related issues (14%) and slamming of interstate service (14%).

As shown in Figure 11, complaints against CLECs decreased in the past year, while complaints against IXC's have decreased each of the past three years. The decrease in CLEC complaints is attributed to a decrease in competition in the local exchange market. The decrease in IXC complaints reflects the decrease in the number of complaints about disputed bills and slamming.

Figure 11: Telecommunications Complaints 2001-2005



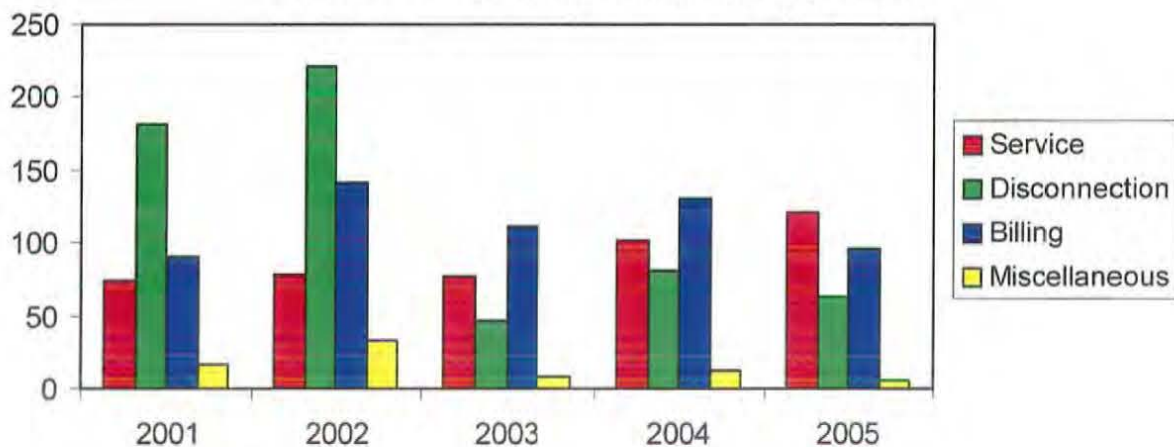
While the CAD takes complaints against all telecommunications carriers, complaint rates are calculated only for ILECs. Figure 12 shows the complaint rates for ILECs with 10 or more complaints in 2005. Complaint rates for all ILECs other than Verizon can fluctuate widely from year to year because of their relatively small customer base. For example, Pine Tree Telephone's complaint rate increased from 0.4 in 2004 (3 complaints) to 1.5 in 2005 (10 complaints).

Figure 12: ILEC Complaint Rates

A discussion of the telecommunications carriers that were the subject of a significant number of complaints in 2005 follows.

1. Verizon

The CAD received 286 complaints against Verizon in 2005, a 12% decrease compared to 325 complaints in 2004, and an 18% increase compared to 243 in 2003. Verizon's complaint rate was 0.7 complaints per 1,000 consumers in 2005, 0.7 in 2004, and 0.5 in 2003. As shown in Figure 13, the number of complaints about service-related issues increased each of the past three years, while complaints about billing and actual or threatened disconnection decreased in the past year. The increase in service complaints is believed to be due to Verizon's failure to address outages and service repairs in a timely manner.

Figure 13: Verizon Complaints (by Issue)

2. AT&T

The CAD received 119 complaints against AT&T in 2005, the lowest in six years (447 were received in 2004, 210 in 2003, 264 in 2002, 313 in 2001 and 160 in 2000). More than 78% of the complaints received in 2005 concerned disputed charges. Many consumers who filed complaints told the CAD that they were unable to reach a live person at AT&T when calling its toll free customer service numbers. This was a concern since Commission rules require that callers to a carrier's toll free number provided for resolution of billing or service disputes must be given the opportunity to talk with a live customer representative without spending an unreasonable amount of time on hold and without being forced to navigate through an unreasonable number of menu levels in an automated phone answer system. The CAD reviewed the menu options for all of the toll free numbers AT&T provides to consumers, and worked with AT&T to modify its system so that callers pressing zero at any time will be transferred to a live representative.

3. MCI

In 2005, the CAD received 120 complaints against MCI, a 25% decrease compared to 159 complaints in 2004, and a 55% decrease compared to 269 in 2003. Nearly 60% of the complaints received involved MCI's provision of basic service, while 40% involved its provision of interexchange service. The majority of the complaints involving basic service were about customers' inability to pay their bills, while the majority of the interexchange complaints were about disputed charges.

The CAD learned through a consumer complaint that MCI was imposing a 35% fee on the past due balances it forwarded to a collection agency. Although the fee was imposed on both intrastate and interstate charges, it was not listed in MCI's rate schedule on file with the Commission. Since Maine law does not permit a utility to charge a fee not contained in its rate schedule, MCI could not assess the fee on intrastate charges. Due to the CAD's involvement, MCI stopped imposing the collection fee and refunded a total of over \$8,100 to 964 consumers in Maine.

4. Slamming Complaints

The CAD received 68 slamming complaints in 2005, a 71% decrease compared to 231 in 2004 and a 72% decrease from 239 in 2003. Of the slamming complaints received in 2005, 56 alleged an unauthorized change of both in-state and out-of-state services, eight alleged an unauthorized change of only out-of-state service, and four alleged an unauthorized change of only in-state service. The majority of the slamming complaints were against interexchange carriers. Table 3 lists the carriers against whom the CAD received five or more slamming complaints in 2005.

Table 3: Slamming Complaints (by Carrier)

Carrier	No. of Complaints
MCI	12
PNG Telecommunications	5
Spectrotel	21

Of the 78 slamming complaints resolved in 2005, the CAD found that 36 consumers were slammed—their service was changed without their authorization. Table 4 lists the carriers against whom the CAD made five or more findings of slamming in 2005.

Table 4: Customers Slammed (by Carrier)

Carrier	No. of Customers
PNG Telecommunications	5
Spectrotel	17

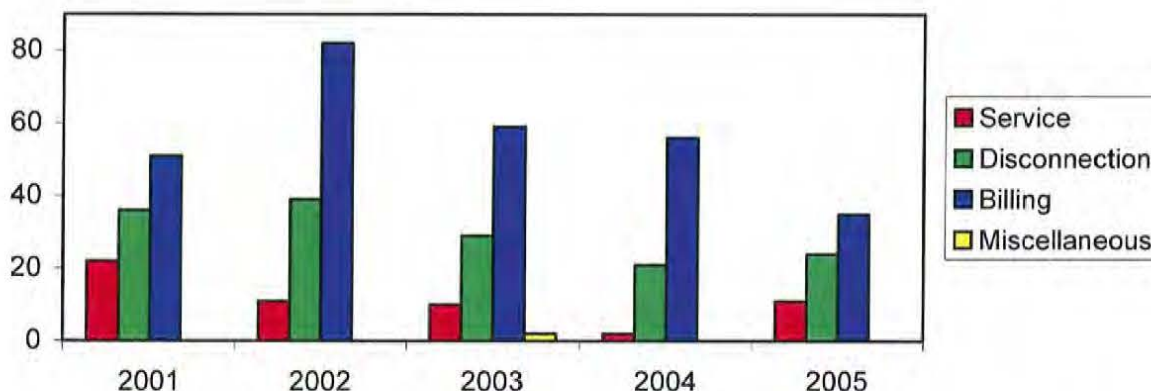
As discussed earlier in this report, Spectrotel agreed to pay an administrative penalty of \$15,000 in July 2005 to resolve the slamming complaints. In addition to the penalty and making restitution to customers, Spectrotel agreed not to market or assume any new customers in Maine and to voluntarily abandon service in Maine upon elimination of its existing customer base through attrition.

C. Natural Gas Utilities

Three natural gas utilities currently serve portions of Maine: Northern Utilities, Bangor Gas Company, and Maine Natural Gas. Because the CAD has never received complaints against either Bangor Gas or Maine Natural Gas (most likely because these companies have few residential customers), this section will focus solely on Northern Utilities, Inc. (NU). NU serves over 90% of Maine's natural gas consumers.

The CAD received 70 complaints against NU in 2005, an 11% decrease compared to 79 complaints in 2004, and a 31% decrease from 101 complaints in 2003. NU's complaint rate was 2.8 complaints per 1,000 customers in 2005, 3.2 in 2004 and 4.2 in 2003. As shown in Figure 14, the number of complaints about service-related issues and actual or threatened disconnection increased in the past year while complaints about billing issues decreased.

Figure 14: NU Complaints (by Issue)



The reduction in complaints received against NU since 2002 is attributed to the Commission's investigation into NU's billing practices, the Commission's management audit of NU, and NU's increased efforts to provide better service and prevent customer complaints. As a result of the management audit, Commission staff, NU and the Office of the Public Advocate developed a Service Quality Plan. The Plan became effective January 1, 2004, and established baseline performance targets and associated penalties in five customer service areas:

- Field operations (Service Appointments Met on the Scheduled Day & Time and Response to Odor Calls).
- Meter reading (On-Cycle Meter Reads and Long No Reads).
- Billing (Meter Reads Used).
- Contact Center Performance (Emergency Calls, Non-Emergency Calls, Abandoned Call Rate, and Contact Center Busy Outs).
- Overall Service (Consumer Assistance Division Cases and Customer Satisfaction Measured by Survey Results).

The Service Quality Plan provides for a maximum annual penalty of \$300,000 if NU fails to meet the baseline performance targets. Penalties are determined using a calculation involving the degree by which NU under-performs the benchmark and the relative weighting of the service area. As a result, greater performance failures generate greater penalties for NU. NU could incur the entire annual penalty amount if there is a drastic failure in one performance area. Penalties are paid either as a single or multiple service quality performance line-item credit on customers' bills. Because NU failed to meet all of its service quality performance targets in 2004, a service quality rebate totaling \$26,550 was applied to customers' accounts in

December 2005. The majority of the penalty was due to NU exceeding the benchmark for consumer complaints filed with the CAD.

In December 2005, the Commission approved amendments to NU's Service Quality Plan. The amendments adjusted the benchmark and measurement methodology for both of the "field operations" customer service areas and modified several reporting requirements as well as the mechanism for calculating rebates to customers.

D. Water Utilities

The Commission has approved 154 water utilities to provide service in Maine. The CAD received 86 complaints against water utilities in 2005, comparable to 87 complaints in 2004, and a 16% increase from 74 in 2003. A breakdown of complaints received in 2005 by utility and issue can be found in the Appendix.

E. Water Common Carriers

The Commission has approved 16 companies to provide public ferry service on Casco Bay. The CAD has never received a consumer complaint against a water common carrier.

V. EDUCATION AND OUTREACH

The CAD strives to increase public awareness of utility issues by issuing consumer bulletins to the news media on regulatory matters and areas of concern. In addition, the CAD's web page (<http://www.maine.gov/mpuc/consumer/cad.html>) includes fact sheets, brochures, consumer bulletins, consumer complaint statistics, and annual reports on consumer assistance. The CAD also provides training to utility staff upon request, and provides guidance to utilities and consumers on the interpretation of Commission laws and rules.

A. Consumer Bulletins

The CAD issued two Consumer Bulletins in 2005 on telecommunication issues. The bulletins addressed protections against modem hijacking and slamming. Consumer Bulletins are sent to all in-state media services (newspapers, radio, television), social service agencies, and others such as the Congressional delegation and the Governor's office, and are posted on the CAD's website. A brief description of each bulletin follows.

Is Your Computer Dialing Calls Without Your Knowledge?

Issued February 2, 2005, this bulletin provides information to consumers on how to avoid a scam—called "modem hijacking"—that can cause computers to make

long distance calls without the user's knowledge. The scam occurs on a variety of websites, but often shows up through "pop-up" ads that claim to offer "entertainment" or other content for free. If the user clicks on the pop-up, a series of questions asks the user to choose a "yes," "I agree," or a similarly phrased button to agree to the terms and conditions of the ad. A positive response to the question triggers a software download of a "viewer" or "dialer" program to the user's computer. The "dialer" program changes system settings and connects to long distance, often international, telephone numbers at extremely high per-minute rates, and automatically dials these numbers at random times without the consumer knowing it. The bulletin lists a variety of things consumers can do to protect themselves and describes how to get assistance if they are victims of this type of scam.

Slammers Targeting Small Businesses

Issued June 10, 2005, this bulletin provides information to consumers on how to avoid having their telephone service changed without their authorization. In particular, the bulletin warns small businesses to be wary of calls requesting personal information or information about the business since the call may be from unscrupulous telephone companies using deceptive methods to obtain customer authorization to make a carrier change. The bulletin explains how to "freeze" the selection of the company or companies providing a consumer with local or long-distance service. Although slamming is illegal, it sometimes occurs and the Commission recommends a carrier freeze as the most effective way to prevent it. The bulletin also recommends that consumers read their telephone bills carefully each month.

B. Other Outreach Activities

Assisting utilities with the interpretation of Commission rules is another component of the CAD's outreach efforts. In 2005, the CAD received 198 calls from utilities seeking assistance. The CAD assists utilities by reviewing their credit and collection procedures to ensure they are reasonable and in compliance with Commission rules, and by reviewing their service-related procedures to ensure that service is provided in a uniform, fair, and reasonable manner. The CAD also responds to utility requests for assistance in dealing with more complex consumer issues, such as the disconnection of accounts with high balances or life support equipment, master-metered units, and line extensions.

VI. LOOKING FORWARD TO 2006

The CAD expects consumer contact levels, including the number of consumer complaints, to remain relatively constant in 2006. (This could change, however, if a large number of slamming or cramming complaints are received, as has happened in previous years.) In addition to investigating consumer complaints and responding to

APPENDIX

Utility Complaints Received in 2005

Utility Type	Company	Service		Disconnect/ Notice		Billing		Miscellaneous		Total Complaints	Rate per 1000 Customers
		#	%	#	%	#	%	#	%		
COMMUNICATIONS	CHINA TELEPHONE COMPANY	3	33%		0%	4	44%	2	22%	9	2.5
	COBBOSSEECONTEE TELEPHONE COMPANY (TDS)	1	100%		0%		0%		0%	1	1.1
	COMMUNITY SERVICE TELEPHONE COMPANY	3	60%		0%	2	40%		0%	5	0.4
	HAMPDEN TELEPHONE COMPANY (TDS)	1	33%		0%	2	67%		0%	3	0.8
	HARTLAND & ST. ALBANS TELEPHONE COMPANY (TDS)		0%	2	67%	1	33%		0%	3	0.7
	ISLAND TELEPHONE CO. (TDS)		0%		0%		0%		0%	0	0.0
	LINCOLNVILLE TELEPHONE COMPANY		0%		0%		0%		0%	0	0.0
	MAINE TELEPHONE COMPANY	7	64%	1	9%	3	27%		0%	11	0.9
	MID MAINE TELECOM	3	60%		0%	2	40%		0%	5	0.8
	NORTHLAND TELEPHONE COMPANY OF MAINE	23	62%	1	3%	11	30%	2	5%	37	1.6
	OXFORD TELEPHONE COMPANY		0%		0%	1	100%		0%	1	0.2
	OXFORD WEST TELEPHONE COMPANY		0%	1	50%	1	50%		0%	2	0.3
	PINE TREE TELEPHONE COMPANY		0%	5	50%	4	40%	1	10%	10	1.5
	SACO RIVER TELEPHONE COMPANY	2	33%	2	33%	2	33%		0%	6	0.7
	SIDNEY TELEPHONE COMPANY	2	67%		0%	1	33%		0%	3	1.9
	SOMERSET TELEPHONE COMPANY (TDS)		0%	2	67%	1	33%		0%	3	0.2
	STANDISH TELEPHONE COMPANY	4	50%		0%	3	38%	1	13%	8	0.9
	TIDEWATER TELECOM, INC.		0%	4	67%	1	17%	1	17%	6	0.5
	UNION RIVER TELEPHONE COMPANY	1	50%	1	50%		0%		0%	2	1.3
	UNITEL, INC.		0%		0%	1	100%		0%	1	0.2
	VERIZON NEW ENGLAND, INC. D/B/A VERIZON MAINE	121	42%	63	22%	96	34%	6	2%	286	0.7
	WARREN TELEPHONE COMPANY (TDS)		0%		0%		0%		0%	0	0.0
	WEST PENOBSCOT TELEPHONE COMPANY (TDS)		0%		0%		0%		0%	0	0.0
Industry Totals	23	171	43%	82	20%	136	34%	13	3%	402	0.7
ELECTRIC	BANGOR HYDRO-ELECTRIC COMPANY	20	16%	70	57%	31	25%	1	1%	122	1.1
	CENTRAL MAINE POWER COMPANY	117	22%	292	54%	129	24%	3	1%	541	0.9
	EASTERN MAINE ELECTRIC CO-OP, INC	2	67%	1	33%		0%		0%	3	0.2
	FOX ISLANDS ELECTRIC COOPERATIVE, INC	1	100%		0%		0%		0%	1	0.5
	HOULTON WATER COMPANY - ELECTRIC DEPT.		0%	5	63%	2	25%	1	13%	8	1.5
	ISLE-AU-HAUT ELECTRIC POWER COMPANY		0%		0%		0%		0%	0	0.0
	KENNEBUNK LIGHT & POWER DISTRICT		0%		0%		0%		0%	0	0.0

Utility Complaints Received in 2005

Utility Type	Company	Service		Disconnect/ Notice		Billing		Miscellaneous		Total Complaints	Rate per 1000 Customers
		#	%	#	%	#	%	#	%		
ELECTRIC	MADISON DEPARTMENT OF ELECTRIC WORKS		0%	4	44%	5	56%		0%	9	3.6
	MAINE PUBLIC SERVICE COMPANY		0%	23	85%	4	15%		0%	27	0.8
	MATINICUS PLANTATION ELECTRIC COMPANY		0%		0%		0%		0%	0	0.0
	MONHEGAN PLANTATION POWER DISTRICT		0%		0%		0%		0%	0	0.0
	SWANS ISLAND ELECTRIC COOPERATIVE		0%		0%		0%		0%	0	0.0
	VAN BUREN LIGHT & POWER DISTRICT		0%		0%	1	100%		0%	1	0.7
Industry Totals 13		140	20%	395	55%	172	24%	5	1%	712	0.9
GAS	BANGOR GAS COMPANY, LLC		0%		0%		0%		0%	0	0.0
	MAINE NATURAL GAS, LLC.		0%		0%		0%		0%	0	0.0
	NORTHERN UTILITIES, INC	11	16%	24	34%	35	50%		0%	70	2.8
Industry Totals 3		11	16%	24	34%	35	50%	0	0%	70	2.7
OTHER	OTHER		0%		0%		0%		0%	0	0.0
Industry Totals 1		0	0%	0	0%	0	0%	0	0%	0	0.0
WATER	ADDISON POINT WATER DISTRICT		0%		0%		0%		0%	0	0.0
	ALFRED WATER DISTRICT		0%		0%		0%		0%	0	0.0
	ALLEN WATER COMPANY		0%		0%		0%		0%	0	0.0
	ANDOVER WATER DISTRICT		0%		0%		0%		0%	0	0.0
	ANSON WATER DISTRICT		0%		0%		0%		0%	0	0.0
	AQUA MAINE, INC. - BUCKSPORT		0%	1	100%		0%		0%	1	1.5
	AQUA MAINE, INC. - CAMDEN/ROCKLAND MAIN OFFIC		0%		0%	1	100%		0%	1	0.1
	AQUA MAINE, INC. - FREEPORT		0%		0%		0%		0%	0	0.0
	AQUA MAINE, INC. - GREENVILLE		0%		0%		0%		0%	0	0.0
	AQUA MAINE, INC. - HARTLAND DIVISION		0%		0%		0%		0%	0	0.0
	AQUA MAINE, INC. - KEZAR FALLS		0%	1	100%		0%		0%	1	2.4
	AQUA MAINE, INC. - MILLINOCKET	1	100%		0%		0%		0%	1	0.5
	AQUA MAINE, INC. - OAKLAND		0%	2	100%		0%		0%	2	2.1
	AQUA MAINE, INC. - SKOWHEGAN		0%		0%		0%		0%	0	0.0
	ASHLAND WATER & SEWER DISTRICT		0%		0%		0%		0%	0	0.0
	AUBURN WATER DISTRICT		0%		0%		0%		0%	0	0.0
	AUGUSTA WATER DISTRICT		0%	1	50%	1	50%		0%	2	0.4

Utility Complaints Received in 2005

Utility Type	Company	Service		Disconnect/ Notice		Billing		Miscellaneous		Total Complaints	Rate per 1000 Customers
		#	%	#	%	#	%	#	%		
WATER	BAILEYVILLE UTILITIES DISTRICT		0%		0%		0%		0%	0	0.0
	BANGOR WATER DISTRICT	1	100%		0%		0%		0%	1	0.3
	BAR HARBOR WATER DEPARTMENT		0%		0%		0%		0%	0	0.0
	BATH WATER DISTRICT		0%		0%	2	100%		0%	2	0.6
	BELFAST WATER DISTRICT		0%		0%		0%		0%	0	0.0
	BERWICK WATER DEPARTMENT		0%		0%		0%		0%	0	0.0
	BETHEL WATER DISTRICT		0%		0%		0%		0%	0	0.0
	BIDDEFORD & SACO WATER COMPANY	2	100%		0%		0%		0%	2	0.1
	BINGHAM WATER DISTRICT		0%	1	100%		0%		0%	1	2.1
	BOOTHBAY REGION WATER DISTRICT	1	50%		0%	1	50%		0%	2	0.8
	BOWDOINHAM WATER DISTRICT		0%		0%		0%		0%	0	0.0
	BRIDGTON WATER DISTRICT		0%		0%	1	100%		0%	1	3.3
	BROWNVILLE WATER DEPARTMENT		0%	1	100%		0%		0%	1	2.1
	BRUNSWICK & TOPSHAM WATER DISTRICT		0%		0%		0%		0%	0	0.0
	BUCKFIELD VILLAGE CORPORATION		0%		0%		0%		0%	0	0.0
	CALAIS (CITY OF) WATER DEPARTMENT		0%		0%		0%		0%	0	0.0
	CANTON WATER DISTRICT		0%		0%		0%		0%	0	0.0
	CARIBOU UTILITIES DISTRICT		0%		0%		0%		0%	0	0.0
	CASTINE WATER DEPARTMENT		0%		0%		0%		0%	0	0.0
	CITY OF BREWER WATER DEPARTMENT		0%	1	50%	1	50%		0%	2	0.6
	CITY OF LEWISTON WATER DIVISION		0%		0%		0%		0%	0	0.0
	CLINTON WATER DISTRICT		0%		0%		0%		0%	0	0.0
	CORINNA WATER DISTRICT		0%		0%		0%		0%	0	0.0
	CORNISH WATER DISTRICT		0%		0%		0%		0%	0	0.0
	DANFORTH WATER DISTRICT		0%		0%		0%		0%	0	0.0
	DEER ISLE CONSUMER OWNED WATER UTILITY		0%		0%		0%		0%	0	0.0
	DEXTER UTILITY DISTRICT		0%		0%		0%		0%	0	0.0
	DIXFIELD WATER DEPARTMENT		0%		0%	1	100%		0%	1	1.6
	DOVER-FOXCROFT WATER DISTRICT		0%	1	100%		0%		0%	1	1.0
	DRESDEN WATER DISTRICT		0%		0%		0%		0%	0	0.0
	EAGLE LAKE WATER & SEWER DISTRICT		0%		0%		0%		0%	0	0.0
	EAST MILLINOCKET WATER WORKS		0%		0%		0%		0%	0	0.0
	EAST PITTSTON WATER DISTRICT		0%		0%		0%		0%	0	0.0

Utility Complaints Received in 2005

Utility Type	Company	Service		Disconnect/ Notice		Billing		Miscellaneous		Total Complaints	Rate per 1000 Customers
		#	%	#	%	#	%	#	%		
WATER	EAST VASSALBORO WATER SYSTEM		0%		0%		0%		0%	0	0.0
	ELLSWORTH WATER DEPARTMENT		0%		0%		0%		0%	0	0.0
	EUSTIS WATER DEPARTMENT		0%	1	100%		0%		0%	1	5.2
	EXETER WATER DEPARTMENT		0%		0%		0%		0%	0	0.0
	FARMINGTON FALLS STANDARD WATER DISTRICT		0%		0%		0%		0%	0	0.0
	FARMINGTON VILLAGE CORPORATION		0%		0%		0%		0%	0	0.0
	FORT FAIRFIELD UTILITIES DISTRICT		0%		0%		0%		0%	0	0.0
	FORT KENT WATER DEPARTMENT		0%		0%		0%		0%	0	0.0
	FRANKLIN WATER DEPARTMENT		0%		0%	1	100%		0%	1	5.5
	FRIENDSHIP WATER DEPARTMENT		0%		0%		0%		0%	0	0.0
	FRYEBURG WATER COMPANY		0%		0%		0%		0%	0	0.0
	GARDINER WATER DISTRICT		0%		0%		0%		0%	0	0.0
	GRAND ISLE WATER DEPARTMENT		0%		0%		0%		0%	0	0.0
	GRAY WATER DISTRICT		0%	1	100%		0%		0%	1	1.1
	GREAT SALT BAY SANITARY DISTRICT		0%		0%		0%		0%	0	0.0
	GUILFORD/SANGERVILLE WATER DISTRICT		0%		0%		0%		0%	0	0.0
	HALLOWELL WATER DISTRICT		0%		0%		0%		0%	0	0.0
	HAMPDEN WATER DISTRICT	1	33%	2	67%		0%		0%	3	1.8
	HARRISON WATER DISTRICT	1	100%		0%		0%		0%	1	3.0
	HEBRON WATER COMPANY		0%		0%		0%		0%	0	0.0
	HOULTON WATER COMPANY		0%	1	50%	1	50%		0%	2	1.0
	HOWLAND WATER DEPARTMENT		0%		0%		0%		0%	0	0.0
	ISLAND FALLS WATER DEPARTMENT		0%	2	100%		0%		0%	2	8.5
	JACKMAN UTILITY DISTRICT - WATER DIVISION		0%		0%		0%		0%	0	0.0
	JAY VILLAGE WATER DISTRICT		0%		0%		0%		0%	0	0.0
	KENNEBEC WATER DISTRICT	1	13%	5	63%	1	13%	1	13%	8	0.9
	KENNEBUNK/KENNEBUNKPORT/WELLS WATER		0%	1	33%	1	33%	1	33%	3	0.3
	KINGFIELD WATER DISTRICT		0%		0%		0%		0%	0	0.0
	KITTERY WATER DISTRICT		0%		0%		0%		0%	0	0.0
	LIMERICK WATER DISTRICT		0%		0%		0%		0%	0	0.0
	LIMESTONE WATER & SEWER DISTRICT		0%		0%		0%		0%	0	0.0
	LINCOLN WATER DISTRICT		0%	1	100%		0%		0%	1	0.8
	LISBON WATER DEPARTMENT	1	100%		0%		0%		0%	1	0.4

Utility Complaints Received in 2005

Utility Type	Company	Service		Disconnect/ Notice		Billing		Miscellaneous		Total Complaints	Rate per 1000 Customers
		#	%	#	%	#	%	#	%		
WATER	LIVERMORE FALLS WATER DISTRICT		0%		0%		0%		0%	0	0.0
	LONG POND WATER DISTRICT		0%		0%		0%		0%	0	0.0
	LUBEC WATER & ELECTRIC DISTRICT (WATER)		0%		0%		0%		0%	0	0.0
	MACHIAS WATER COMPANY		0%		0%		0%		0%	0	0.0
	MADAWASKA WATER DISTRICT		0%		0%		0%		0%	0	0.0
	MADISON WATER DISTRICT	1	100%		0%		0%		0%	1	0.2
	MARS HILL UTILITY DISTRICT	1	100%		0%		0%		0%	1	4.7
	MECHANIC FALLS WATER DEPARTMENT		0%		0%		0%		0%	0	0.0
	MEXICO WATER DISTRICT		0%		0%		0%		0%	0	0.0
	MILBRIDGE WATER DISTRICT		0%		0%		0%		0%	0	0.0
	MILO WATER DISTRICT		0%		0%		0%		0%	0	0.0
	MONHEGAN WATER COMPANY		0%		0%		0%		0%	0	0.0
	MONSON UTILITIES DISTRICT		0%		0%		0%		0%	0	0.0
	MORRILL VILLAGE WATER DISTRICT		0%		0%		0%		0%	0	0.0
	MOSCOW WATER DISTRICT		0%	2	100%		0%		0%	2	14.3
	MOUNT DESERT WATER DISTRICT		0%		0%	1	100%		0%	1	1.0
	MT. BLUE STANDARD WATER DISTRICT		0%		0%		0%		0%	0	0.0
	NEW PORTLAND WATER DISTRICT		0%		0%		0%		0%	0	0.0
	NEW SHARON WATER DISTRICT		0%		0%		0%		0%	0	0.0
	NEWPORT WATER DISTRICT		0%		0%		0%		0%	0	0.0
	NORRIDGEWOCK WATER DISTRICT		0%		0%		0%		0%	0	0.0
	NORTH BERWICK WATER DISTRICT		0%		0%		0%		0%	0	0.0
	NORTH HAVEN WATER DEPARTMENT		0%		0%		0%		0%	0	0.0
	NORTH JAY WATER DISTRICT		0%		0%		0%		0%	0	0.0
	NORTHPORT VILLAGE CORPORATION (WATER DEPARTMENT		0%		0%		0%		0%	0	0.0
	NORWAY WATER DISTRICT		0%		0%		0%		0%	0	0.0
	OLD TOWN WATER DISTRICT		0%		0%		0%		0%	0	0.0
	OQUOSSOC STANDARD WATER DISTRICT		0%		0%		0%		0%	0	0.0
	ORONO-VEAZIE WATER DISTRICT		0%		0%		0%		0%	0	0.0
	OXFORD WATER DISTRICT		0%		0%		0%		0%	0	0.0
	PARIS UTILITY DISTRICT		0%		0%		0%		0%	0	0.0
	PASSAMAQUODDY WATER DISTRICT	1	50%	1	50%		0%		0%	2	2.7

Utility Complaints Received in 2005

Utility Type	Company	Service		Disconnect/ Notice		Billing		Miscellaneous		Total Complaints	Rate per 1000 Customers
		#	%	#	%	#	%	#	%		
WATER	PATTEN WATER DEPARTMENT		0%	1	50%	1	50%		0%	2	13.5
	PITTSFIELD WATER DEPARTMENT		0%	3	100%		0%		0%	3	2.5
	PLYMOUTH WATER DISTRICT		0%		0%		0%		0%	0	0.0
	PORT CLYDE WATER DISTRICT		0%		0%		0%		0%	0	0.0
	PORTLAND WATER DISTRICT	1	4%	11	46%	12	50%		0%	24	0.5
	PRESQUE ISLE WATER DISTRICT		0%		0%		0%		0%	0	0.0
	QUANTABACOOK WATER DISTRICT		0%		0%		0%		0%	0	0.0
	RANGELEY WATER DISTRICT		0%		0%		0%		0%	0	0.0
	RICHMOND UTILITIES DISTRICT	1	100%		0%		0%		0%	1	1.8
	RUMFORD WATER DISTRICT		0%		0%		0%		0%	0	0.0
	SABATTUS SANITARY DISTRICT (WATER DEPT.)		0%		0%		0%		0%	0	0.0
	SANDY POINT WATER COMPANY		0%		0%		0%		0%	0	0.0
	SANFORD WATER DISTRICT		0%		0%		0%		0%	0	0.0
	SEARSMONT VILLAGE WATER ASSN		0%		0%		0%		0%	0	0.0
	SEARSPORT WATER DISTRICT		0%		0%		0%		0%	0	0.0
	SMALL POINT WATER COMPANY		0%		0%		0%		0%	0	0.0
	OLON WATER DISTRICT		0%		0%		0%		0%	0	0.0
	SOUTH BERWICK WATER DISTRICT		0%		0%		0%		0%	0	0.0
	SOUTH FREEPORT WATER DISTRICT		0%		0%		0%		0%	0	0.0
	SOUTHPORT WATER SYSTEM		0%		0%		0%		0%	0	0.0
	SOUTHWEST HARBOR WATER DEPARTMENT		0%		0%		0%		0%	0	0.0
	ST. FRANCIS WATER DISTRICT		0%	1	100%		0%		0%	1	25.6
	STARKS WATER DISTRICT		0%		0%		0%		0%	0	0.0
	STONINGTON WATER COMPANY		0%		0%		0%		0%	0	0.0
	STRONG WATER DISTRICT		0%		0%		0%		0%	0	0.0
	TENANTS HARBOR WATER DISTRICT		0%		0%		0%		0%	0	0.0
	TOWN OF WALDOBORO WATER DEPARTMENT		0%		0%		0%		0%	0	0.0
	VAN BUREN WATER DISTRICT		0%		0%	1	100%		0%	1	1.0
	VINALHAVEN WATER DISTRICT		0%		0%		0%		0%	0	0.0
	WASHBURN WATER DEPARTMENT		0%		0%		0%		0%	0	0.0
	WATERBORO WATER DISTRICT		0%		0%		0%		0%	0	0.0
	WEST PARIS WATER DISTRICT		0%	1	100%		0%		0%	1	4.1
	WILTON WATER DEPARTMENT		0%		0%		0%		0%	0	0.0

Utility Complaints Received in 2005

Utility Type		Company		Service		Disconnect/ Notice		Billing		Miscellaneous		Total Complaints	Rate per 1000 Customers
				#	%	#	%	#	%	#	%		
WATER	WINTER HARBOR WATER DISTRICT				0%		0%		0%		0%	0	0.0
	WINTERPORT WATER DISTRICT				0%		0%		0%		0%	0	0.0
	WINTHROP UTILITIES DISTRICT				0%		0%		0%		0%	0	0.0
	WISCASSET WATER DISTRICT				0%		0%		0%		0%	0	0.0
	YARMOUTH WATER DISTRICT				0%		0%		0%		0%	0	0.0
	YORK WATER DISTRICT				0%		0%		0%		0%	0	0.0
Industry Totals		154		14	16%	43	50%	27	31%	2	2%	86	0.4
WATER COMMON CARRIER	AIRPORT CAR & BOAT LEASING CORP				0%		0%		0%		0%	0	0.0
	BAY EXPRESS WATER TAXI				0%		0%		0%		0%	0	0.0
	CASCO BAY CHARTER, INC.				0%		0%		0%		0%	0	0.0
	CASCO BAY ISLAND TRANSIT DISTRICT				0%		0%		0%		0%	0	0.0
	CHEBEAGUE TRANSPORTATION SERVICE				0%		0%		0%		0%	0	0.0
	EAGLE TOURS, INC				0%		0%		0%		0%	0	0.0
	INTERCOASTAL MARINE TRANSPORT				0%		0%		0%		0%	0	0.0
	ISLAND TRANSPORTER, LLC				0%		0%		0%		0%	0	0.0
	JAMES A. HIGGINS				0%		0%		0%		0%	0	0.0
	LIONEL PLANTE ASSOCIATES				0%		0%		0%		0%	0	0.0
	MARINE TAXI SERVICE				0%		0%		0%		0%	0	0.0
	MARINE TOWING SERVICES, INC				0%		0%		0%		0%	0	0.0
	OLDE PORT MARINER FLEET, INC.				0%		0%		0%		0%	0	0.0
	THE MARINE LIMOUSINE				0%		0%		0%		0%	0	0.0
	THE WATER TAXI F/K/A PRESUMPCOT WATER TAXI				0%		0%		0%		0%	0	0.0
	WILLARD CUSHING LLC D/B/A PORTLAND WATER TAXI				0%		0%		0%		0%	0	0.0
Industry Totals		16		0	0%	0	0%	0	0%	0	0%	0	0.0
Utility Totals		210		336	26%	544	43%	370	29%	20	2%	1,270	0.8

requests for information, the CAD expects to spend a significant amount of time in 2006 on several initiatives described in more detail below.

A. Revisions to Chapter 81 and Chapter 86

The CAD will continue its work on the revisions of Chapter 81 and Chapter 86, the Commission's consumer protection rules for electric, gas, and water utilities. As mentioned earlier in this report, staff has reviewed the comments received in response to a Notice of Inquiry and is drafting revised rules on which public comment will be sought. It is expected that final rules will be adopted during 2006.

B. CMP's Alternative Rate Plan

In December 2005, CMP and the Office of the Public Advocate filed a Stipulation to extend CMP's current Alternative Rate Plan (ARP) by three years. In addition, four changes to the ARP were proposed, including an additional productivity offset, limitations on CMP's promotion of the consumption of electricity during peak demand periods, increased financial assistance to low-income customers, and improvements to its distribution system to provide greater assurance of reliable electric service. Before approving the extension and modification of CMP's ARP, the Commission must determine whether CMP's rates are just and reasonable, and whether other components of the ARP are in the public interest. As part of its review, the Commission will consider whether CMP's current service quality metrics are sufficient to ensure the provision of reasonable service quality to customers. The CAD expects to place a major role in the review of the quality of CMP's service.

C. Increased Spending for Low Income Assistance Programs

In response to an increase in electricity prices that most Maine consumers experienced during late 2004 and 2005, the Commission opened an investigation in March 2006 to consider increasing the overall funding amount for the Statewide Low Income Assistance Plan. In its investigation, the Commission proposed increasing the funding amount by 27% and proposed apportionment and assessment amounts for each transmission and distribution utility based on a 27% funding increase for the 2006–2007 program year. The CAD expects to play an active role in this investigation.

D. Verizon's Alternative Rate Plan

In March 2005, the Commission opened an investigation to consider a new Alternative Form of Regulation (AFOR) for Verizon Maine. As part of its investigation, the Commission must consider the form and structure of the new AFOR, including pricing rules, and must ensure that Verizon's service quality is reasonable. Methods currently being used to ensure reasonable service quality include a Service Quality Index, which establishes performance levels Verizon must meet, as well as rebates to customers when Verizon does not meet those

performance levels. In particular, the Commission is concerned about the increase in service outages, the duration of service outages, and the number of errors on Verizon bills. The CAD expects to play an active role in the service quality component of this investigation.