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**MAINE PUBLIC UTILITIES COMMISSION**

**ANNUAL REPORT**

**February 1, 1991**



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## I. INTRODUCTION

Pursuant to 35-A M.R.S A. § 120, the Public Utilities Commission is required to report annually to the Legislature on:

1. The Commission's planned expenditures for the year and its use of funds in the previous year; and
2. The waiver, exemption, receipt and expenditure of any filing fees, expenses, reimbursements or fines collected under Title 35-A M.R.S.A.

In addition, pursuant to 35-A M.R.S A. § 4358, the Commission is required to report to the Joint Standing Committee on Appropriations and Financial Affairs on fiscal activities relating to the Nuclear Decommissioning Financing Act. At the request of the Joint Standing Committee on Utilities the Commission has included information in its Annual Report relating to the accumulation of funds in water districts' contingency reserves, the disposition of such funds, and the existence and disposition of any "excessive" amounts in such reserves.

In addition to the above, we have included information relating to organization, case load and other activities.

It is intended that this report will provide a complete and concise picture of Commission activities. The Commission welcomes suggestions from the Legislature or other interested parties that would improve this report in the future.





## II. PURPOSE AND ORGANIZATION

### Purpose

The Public Utilities Commission's purpose is to protect the public by ensuring that utilities operating in the State of Maine provide adequate and reliable service to the public at rates that are reasonable and just. The Commission is a quasi-judicial body which rules on cases involving rates, service, financing and other activities of the utilities it regulates. The Commission has jurisdiction over 147 water utilities, 13 electric utilities, 4 water carriers, 1 gas utility, 19 telephone utilities, 16 radio common carriers and resellers (including cellular service providers), 159 COCOTs, and 1 competitive interexchange carrier. These utilities had total revenues in 1990 of more than \$1.2 billion.

### Organization

The Public Utilities Commission was created by the Public Laws of 1913 and organized December 1, 1914. The Commission consists of three members appointed by the Governor, subject to review by the Legislative Committee having jurisdiction over utilities and to confirmation by the Legislature for terms of six years. One member is designated by the Governor as Chairman, and all three devote full time to their duties.

The Commission sets regulatory policy through its rulemaking and adjudicatory decisions. Aside from the Commission itself, the agency is divided into five operating divisions as follows:

### Administrative Division

The Administrative Division is responsible for fiscal, personnel, contract and docket management, as well as physical plant. The Division provides support services to the other divisions and assists the Commission in coordinating its activities. The Division has primary responsibility for

public information and assists the General Counsel of the Legal Division in providing information to the Legislature.

Included within the Administrative Division are the Information Resource Center and Computer System Management section.

The Information Resource Center, staffed by a full-time Professional Librarian, provides resource and information services to all divisions of the Commission.

Consumer  
Assistance  
Division

The Consumer Assistance Division (CAD) receives, analyzes and responds to complaints from Maine utility customers. The CAD assists individual customers in resolving their disputes with the utility and analyzes those complaints to determine what utility practices, if any, need to be corrected. The Division analyzes utility rate filings and prepares data requests and testimony on quality of service issues in major rate cases. In addition, the Division participates in Commission-initiated investigations and other cases which relate to quality of service, energy conservation and low income payment matters.

Finance Division

The Finance Division is responsible for conducting financial investigations and analysis of telephone, electric, gas and water utilities, and for conducting other research about Maine utilities. The Division analyzes all applications of utilities to issue stocks, bonds or notes. The Division prepares testimony and other material concerning fuel clauses, cost of capital, rate cost of capital, rate base, revenues, expenses, depreciation and rate design for rate cases. The Division assists in the preparation of questions for cross-

examination on accounting and finance matters, presents direct testimony, evaluates rate case exhibits and advises the Commission on financial and economic issues.

#### Legal Division

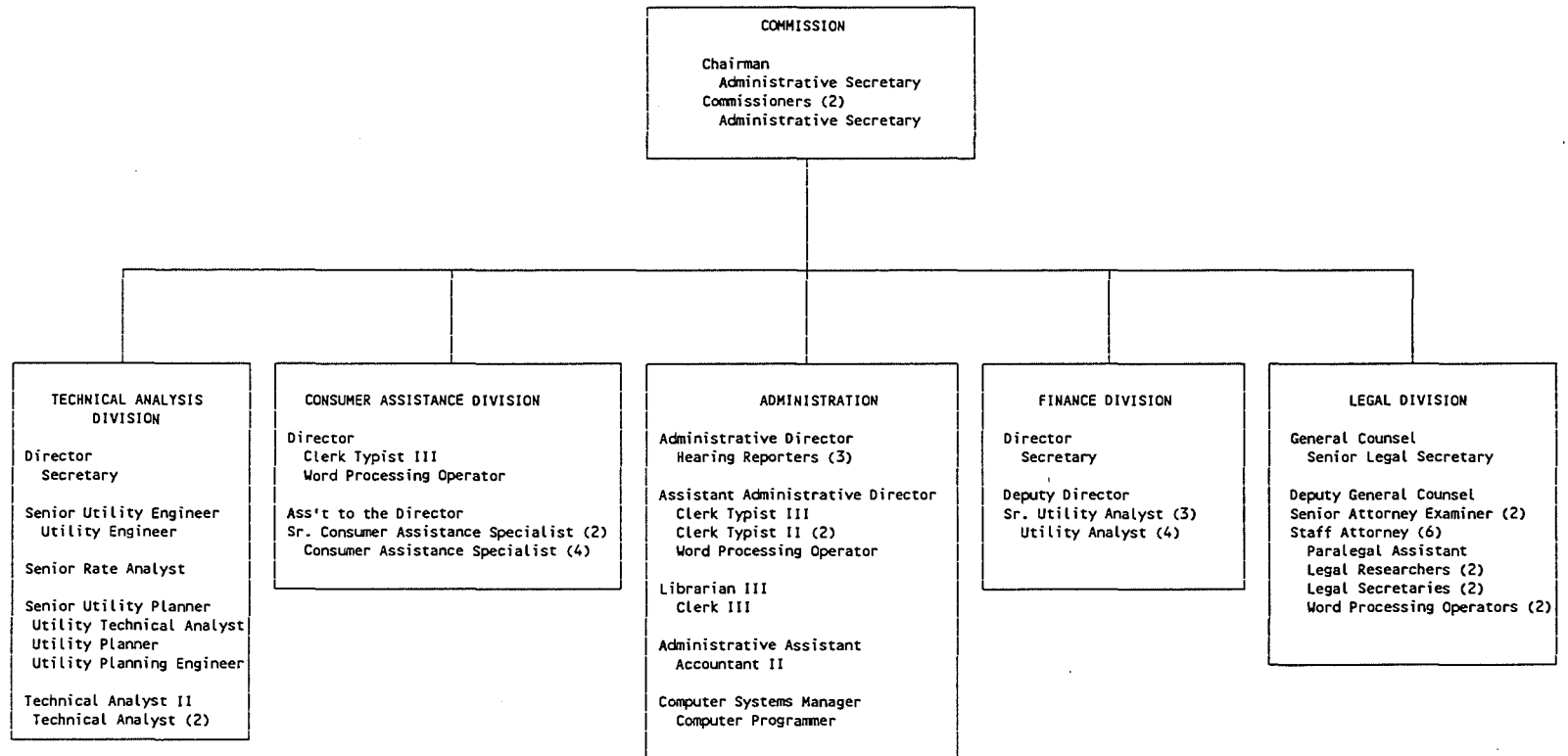
The Legal Division represents the Commission before federal and state appellate and trial courts and agencies. It provides examiners and legal advocates in cases before the Commission and assists in preparing and presenting Commission views on Legislative proposals. Examiners preside over Commission proceedings, rule on questions of procedure and evidence, and prepare written or oral recommended decisions for the Commission. Advocates organize and present the staff's case before the Commission, cross-examine the cases of other parties, file briefs on the issues, and engage in negotiations with the parties for the settlement of some or all of the issues in a case. Complete legal services are provided by the Division on all legal aspects of matters within the Commission's jurisdiction from major rate cases to individual consumer complaints.

#### Technical Analysis Division

The Technical Analysis Division provides expert advice to the Commission on questions of engineering, economics, science, mathematics, statistics, and other technical elements of policy analysis. When assigned to litigated cases as advocates, staff technical analysts work with consultants and other staff in all elements of case advocacy, and often testify as expert witnesses. When assigned as advisors, they help the Commission and hearing examiners to understand and analyze the technical aspects of the evidence presented, and assist them in writing examiner's reports and Commission orders. Specific tasks include preparing and reviewing cost allocations and rate design proposals, analyzing and evaluating utility planning

and operating decisions, reviewing plans and specifications of major utility construction projects, inspecting system improvements on site, monitoring utility reports, evaluating technical performance, and reviewing standards of service. The Division also advises the Commission and CAD on line extensions, inspects gas pipelines to ensure safe operation, investigates gas explosions, and investigates electrical accidents involving loss of human life. Technical analysts use computer modeling and data analysis techniques as needed, and keep abreast of relevant professional developments.

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION



### III. FISCAL INFORMATION

The Public Utilities Commission is required by 35-A M.R.S.A. § 120 to report annually to the Joint Standing Committee on Utilities on its planned expenditures for the year and on its use of funds in the previous year. The Commission is also required to report to the Joint Standing Committee on Appropriations and Financial Affairs on activity relating to the Nuclear Decommissioning Financing Act.<sup>1</sup> This section of the Report fulfills these statutory requirements and provides additional information regarding the Commission's budget.

The Commission has two major sources of funding, in FY 90 a General Fund appropriation of \$983,472 from which \$89,000 was deappropriated, and a Regulatory Fund of \$2,696,000. The Regulatory Fund is raised through an assessment on utilities pursuant to 35-A M.R.S.A. § 116. The assessment process is described in Section 5 of this chapter.

All references in this chapter are to fiscal years - July 1 to June 30. Throughout this report Consulting Services are broken out from All Other because it represents a large portion of the Commission's budget.

The Commission was authorized 69 full-time positions in FY 90, 22 in the General Fund and 47 in the Regulatory Fund.

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<sup>1</sup> See YEAR IN REVIEW section regarding the status of the Act.

1. Fiscal Year 90

In FY 90, the Commission expended approximately \$3.8 million regulating more than 200 utilities with gross revenues exceeding \$1.2 billion. Exhibit A summarizes General Fund activity and activity in other funds administered by the Commission. Exhibit D details FY 90 expenditures by line category.

General Fund

The General Fund allocation for FY 90 was \$983,472. \$921,760 was expended, principally for Personal Services, and \$89,000 was deappropriated due to the State Budget shortfall. \$1,239 was lapsed to the General Fund.

Regulatory Fund

The Regulatory Fund assessment for FY 90 was \$2,696,000. The actual assessment billed to the utilities was reduced by \$53,155 using part of the balance remaining at the end of FY 88.<sup>1</sup> In addition to the assessment, an unencumbered balance of \$760,399 and encumbrances of \$105,822 were brought forward from FY 89. \$2,837,052 was expended. Details of these expenditures are presented in Exhibit D. An encumbered balance of \$331,108 and an unencumbered balance of \$439,060 were brought forward to FY 91. The encumbered balances generally represent ongoing contracts for consulting services. \$142,883 of the balance remaining at the end of FY 89 was used to reduce the annual assessment for FY 91.

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<sup>1</sup> Pursuant to 35-A M.R.S.A. § 116(5), balances up to 7% of the Regulatory Fund may be brought forward to the next fiscal year. If those are to be moved from one line category to another, the approval of the Governor is required. Any amount over 7% must be reallocated by the Legislature or used to reduce the utility assessment in the following year.



Pursuant to PL 1989 c.24, the Commission received \$45,000 to study telephone relay services for the hearing impaired. \$39,955 was expended and the balance of \$5,045 will be reimbursed by reducing the annual assessment billed to Communications Utilities.

Decommissioning  
Fund

This account was closed in FY 86. There was no activity during FY 90.

Filing Fees

The Filing fee account had an unencumbered balance of \$3,448 brought forward. This amount was refunded to Central Maine Power during FY 90. See Exhibit A.

In FY 90 pursuant to 35-A M.R.S.A. the Commission received a filing fee of \$29,500 from Bangor Hydro Electric to assist in the study of proposed Hydro Electric Dam projects. \$19,217 has been expended, \$10,283 remains encumbered to be expended during FY 91.

Miscellaneous  
Reimbursements

Miscellaneous reimbursements consist of funds received for copies of documents such as monthly dockets, agenda and decisions and for other miscellaneous items. \$1,095 was brought forward from FY 89. An additional \$9,672 was received during FY 90. \$831 was expended, and an unencumbered balance of \$9,936 was brought forward to be expended during FY 91. In FY 90, no fines were collected by the Commission.

2. Fiscal Year 91

Exhibit B details the Commission's FY 91 General Fund and Regulatory Fund budgets. Encumbered balances brought forward from FY 90 are included. The right hand column represents the total funds available to the Commission in FY 91 by account and line category.

3. Fiscal Years 92  
and 93 Budgets

The Commission is seeking to increase the annual Regulatory Fund assessment by \$337,000 to a total of \$3,247,000 beginning in fiscal year 1992 and by an additional \$325,000 to a total of \$3,572,000 beginning in fiscal year 1993. Together with the General Fund appropriation these increases will provide the Commission with sufficient funds to carry out its duties. The additional funds will be used to fund increases in personnel costs and general operating expenses.

Exhibit C details the FY 92 & 93 Regulatory Fund budgets. The right hand column represents the total of the current budget and the proposed increase.

4. The Budget  
in Perspective

Exhibit D details the Commission's General Fund and Regulatory Fund budgets for a four-year period. The left hand column includes amounts actually expended in FY 90. Column 2 contains FY 91's expenditure plan, column three contains the FY 92 Budget and column four contains the FY 93 Budget.

5. The Regulatory  
Fund Assessment  
in Perspective

Exhibit E details the Regulatory Fund assessment since FY 80. Annual Reports filed by the utilities with the Commission include revenues for the previous year ending December 31. Calculations are made to determine what percentage of the total reported revenues will provide the amount authorized by statute. The factor derived that will raise the authorized amount is applied against the reported revenues of each utility. Pursuant to 35-A M.R.S.A. § 116, on May 1 of each year an assessment is mailed to each utility regulated by the Commission. The assessments are due on July 1. Funds derived from this assessment are for use during the fiscal year beginning on the same date.

6. Management  
Audits

35-A M.R.S.A. § 113 provides that the Commission may require the performance of a management audit of the operations of any public utility in order to determine:

- (1) The degree to which a utility's construction program evidences planning adequate to identify realistic needs of its customers;
- (2) the degree to which a utility's operations are conducted in an effective, prudent and efficient manner;
- (3) the degree to which a utility minimizes or avoids inefficiencies which otherwise would increase cost to customers; and
- (4) any other consideration which the Commission finds relevant to rate setting under Chapter 3, sections 301 and 303.

Section 113 also provides that the Commission may select an independent auditor to perform the audit, require a utility to pay for the cost of the audit and require the utility to execute a contract with the independent auditor. Finally, Section 113 provides the full cost of the audit shall be recovered from the ratepayers, and that the Commission shall consider the impact of the cost of the audit upon the ratepayers.

In FY 90, the Commission ordered a management audit of Central Maine Power Company's Computerized Customer Service System. This audit, at a cost of approximately \$48,800, was completed during FY 91.

7. Public Utilities  
Commission  
Facilities Fund

This fund has a balance of \$1,043. Pursuant to 35-A M.R.S.A. § 116, subsection 7, the balance will be used to reduce the next Regulatory Fund Assessment.

EXHIBIT A

PUC FUND ACTIVITY BY ACCOUNT FOR FY 1990

<u>Account Name</u>	<u>Amount</u>
---------------------	---------------

General Fund

Balance Brought Forward From Previous Year	\$ 0
General Fund Allocation	983,472
Less Deappropriation	89,000
Add - From Salary Plan	28,527
Less Expended	921,760
Balance Lapsed To General Fund	1,239

Regulatory Fund

Unencumbered Balance Brought Forward From Previous Year	760,399
Encumbered Balance Brought Forward From Previous Year	105,822
Funds Received - Regular Assessment	2,696,000
Funds Received - Special Telephone Assessment	45,000
Less Expended	2,837,053
Encumbered Balance Brought Forward To FY 91	331,108
Unencumbered Balance Brought Forward to FY 91	439,060

Facilities Fund

Unencumbered Balance Brought Forward From Previous Year	950
Funds Received	0
Interest Earned	93
Less Expended	0
Encumbered Balance Brought Forward to FY 91	1,043

Reimbursement Fund

**Filing Fees**

Unencumbered Balance Brought Forward from Previous Year	0
Encumbrances Brought Forward from Previous Year	3,448
Funds Received	29,500
Refunded to Central Maine Power	3,448
Less Expended	19,217
Encumbered Balance Brought Forward to FY 91	10,283
Unencumbered Balance Brought Forward to FY 91	0

**Misc. Reimbursements**

Unencumbered Balance Brought Forward from Previous Year	1,095
Funds Received	9,672
Less Expended	831
Unencumbered Balance Brought Forward to FY 91	9,936



FY 91 BUDGET & ADJUSTMENTS

	<u>Budget</u>	<u>Adjustment</u>	<u>Budget Reduction</u>	<u>Adjusted Budget</u>
<u>General Fund</u>				
Positions	(22)			(21)
Personal Services	\$ 985,763	\$ 0	\$ (66,000) <sup>1</sup>	\$ 919,763
Consulting	0	0	0	0
All Other	38,963	0	(38,963) <sup>1</sup>	0
Capital	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	\$1,024,726	\$ 0	\$ (104,963)	\$ 919,763
<u>Regulatory Fund</u>				
Positions	(47)	(0)	(1)	(48)
Personal Services	\$2,089,608	\$ 7,600 <sup>2</sup>	\$ 34,644 <sup>5</sup>	\$2,131,852
Consulting	270,000	315,010 <sup>3</sup>	0	585,010
All Other	539,392	(7,600) <sup>2</sup>	38,963 <sup>6</sup>	570,755
Capital	<u>11,000</u>	<u>16,098<sup>4</sup></u>	<u>0</u>	<u>27,098</u>
TOTAL	\$2,910,000	\$ 331,108	\$ 73,607	\$3,314,715
<u>Facilities Fund</u>				
Capital	\$ 0	\$ 1,043 <sup>7</sup>		\$ 1,043
<u>Reimbursement Fund</u>				
Filing Fees	\$ 0	\$ 10,283 <sup>8</sup>		\$ 10,283
Misc. Reimbursement	\$ 0	\$ 9,936 <sup>9</sup>		\$ 9,936
GRAND TOTAL	<u>\$3,934,726</u>	<u>\$ 352,370</u>		<u>\$4,255,740</u>

- 1 Reductions to meet budget shortfall as authorized by PL 1989 Chapter 875.
- 2 Funds are provided for a reclassification by increasing Personal Services by \$7,600 and decreasing all other by the same amount as authorized by PL 1989 Chapter 875.
- 3 Encumbered consulting contracts brought forward from FY 90.
- 4 Encumbered capital purchases brought forward from FY 90.
- 5 Personal Services are increased and one (1) position is transferred from the General Fund as authorized by PL 1989 Chapter 875. Funds used are from the unencumbered balance forward from FY 89.



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(Con't. of footnotes)

- 6 All Other is increased to replace General Fund All Other reductions as authorized by PL 1989 Chapter 875. Funds used are from the unencumbered balance forward from FY 89.
- 7 Unencumbered balance brought forward.
- 8 Encumbered balance brought forward.
- 9 Unencumbered balance brought forward.

NOTE: An unencumbered balance of \$222,571 was carried forward into FY 91 and is available to be expended in FY 91 or to reduce the FY 92 assessment.





EXHIBIT C

FY 92/FY 93 REGULATORY FUND BUDGET & PROPOSED INCREASES

FY 92

	<u>BUDGET</u>	<u>REQUEST</u>	<u>ADJUSTED</u>
POSITIONS	(48)	(0)	(48)
PERSONAL SERVICES	\$ 2,350,317	\$ 0	\$ 2,350,317
CONSULTING SERVICES	285,000	0	285,000
ALL OTHER	267,448	337,000 <sup>1</sup>	604,448
CAPITAL	<u>7,235</u>	<u>0</u>	<u>7,235</u>
TOTAL	\$ 2,910,000	\$ 337,000	\$ 3,247,000

FY 93 REGULATORY FUND BUDGET & PROPOSED INCREASES

FY 93

	<u>ORIGINAL BUDGET</u>	<u>FY 92 REQUEST</u>	<u>FY 93 REQUEST</u>	<u>ADJUSTED FY 93 BUDGET</u>
POSITIONS	(48)	(0)	(0)	(48)
PERSONAL SERVICES	\$2,622,428	\$ 0	\$ 0	\$2,622,428
CONSULTING SERVICES	265,603	0	19,397 <sup>2</sup>	285,000
ALL OTHER	0	337,000 <sup>1</sup>	305,603 <sup>2</sup>	642,603
CAPITAL	<u>21,969</u>	<u>0</u>	<u>0</u>	<u>21,969</u>
TOTAL	\$2,910,000	\$337,000	\$325,000	\$3,572,000

<sup>1</sup> Total of \$337,000 required in FY 92 for All Other expenditures.

<sup>2</sup> Additional \$325,000 required in FY 93 - \$19,397 for consulting services and \$305,603 for All Other expenditures.



PUC BUDGET IN PERSPECTIVE

	<u>FY 90</u> <u>Expended</u>	<u>FY 91</u> <u>Workplan</u>	<u>FY 92</u> <u>Budget</u>	<u>FY 93</u> <u>Budget</u>
<u>General Fund</u>				
Positions	(22)	(21)	(21)	(21)
Personal Services	\$ 921,722	\$ 919,763	\$1,073,530	\$1,139,518
Consulting Services	0	0	0	0
All Other	38	0	0	0
Capital	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	\$ 921,760	\$ 919,763	\$1,073,530	\$1,139,518
<u>Regulatory Fund</u>				
Positions	(48)	(49)	(49)	(49)
Personal Services	\$1,812,378	\$2,131,852 <sup>2</sup>	\$2,350,317	\$2,622,428
Consulting Services	125,494 <sup>1</sup>	585,010 <sup>3</sup>	285,000	285,000
All Other	625,626	570,755 <sup>4</sup>	604,448	642,603
Capital	<u>273,555</u>	<u>27,098<sup>5</sup></u>	<u>7,235</u>	<u>21,969</u>
TOTAL	\$2,837,053	\$3,314,715	\$3,247,000	\$3,572,000
<u>Facilities Fund</u>	0	1,043 <sup>6</sup>	0	0
<u>Reimbursement Fund</u>				
Filing Fees	19,218	10,283 <sup>7</sup>	0	0
Misc. Reimbursements	831	9,936 <sup>8</sup>	0	0
TOTAL ALL RESOURCES	<u>\$3,778,862</u>	<u>\$4,255,740</u>	<u>\$4,320,530</u>	<u>\$4,711,518</u>

<sup>1</sup> Includes the reimbursement of \$4,717 to New England Telephone which is the remainder of \$10,000 originally assessed to fund the 911 study commission.

<sup>2</sup> Includes \$34,644 from unencumbered balance forward to fund a position as authorized by PL 1989 Chapter 875.



EXHIBIT D  
(Page 2 of 2)

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(Con't. of footnotes)

- 3 Includes \$315,010 in encumbered contracts brought forward to FY 91.
- 4 Includes \$38,963 from unencumbered balance forward to fund All Other as authorized by PL 1989 Chapter 875.
- 5 Includes \$16,098 in encumbered purchase orders brought forward to FY 91.
- 6 Unencumbered balance forward of \$1,043 will be used to reduce the FY 92 Regulatory Fund Assessment pursuant to 35-A M.R.S.A. § 116.
- 7 Encumbered balance forward received from Bangor Hydro-Electric to assist in processing proposed dam projects.
- 8 Unencumbered balance brought forward to FY 91.

NOTE: \$142,883 of the unencumbered balance brought forward to FY 90 was used to reduce the Regulatory Fund Assessment for FY 91. An unencumbered balance of \$222,571 was carried forward to FY 91 and is available to be expended or to reduce the FY 92 assessment.



## Assessment Detail

For Use in FY	Mailing Date/ Due Date	\$ Annual Revenues Electric	\$ Telecom.	\$ Water	\$ Gas	\$ Water Carriers	\$ Total Revenues (Utilities)	\$ Assessment Factor	\$ Net Amount Assessed by PUC	\$ Gross Assessment
FY 1980	11/79-01/01/80	186,278,293	139,683,694	24,086,603	6,749,736		356,798,326	.00021	74,816 (Nearest \$10)	75,000
FY 1981	05/80-07/01/80	206,762,413	153,652,974	25,465,331	7,374,962		393,255,630	.000381	149,830 (Nearest \$10)	150,000
FY 1982	05/81-07/01/81	216,243,682	165,108,544	28,421,070	8,932,172		418,705,468	.00035824	149,796 (Nearest \$10)	150,000
FY 1982	06/81-08/01/81	216,243,682	165,103,544	28,421,070	8,932,172		418,705,468	.0007165	299,983 (Nearest \$5)	300,000
FY 1983	05/82-07/01/82	462,967,673	182,850,133	32,220,884	14,428,444	803,933	692,471,067	.00187733	1,299,996 (Nearest \$1)	1,300,000
FY 1984	05/83-07/01/83	508,838,895	194,922,674	36,803,237	19,309,123	959,425	760,329,404	.00170366	1,299,999 (Nearest \$1)	1,300,000
FY 1984	06/83-08/01/83	508,838,895	194,922,674	36,939,287	19,308,123	959,425	760,829,404	.0002103	159,984 (Nearest \$1)	160,000
FY 1985	05/84-07/01/84	546,977,166	210,502,523	40,372,798	21,206,118	984,106	820,042,711	.001943801	1,593,904 (Nearest \$1)	1,594,000
FY 1986	05/85-07/01/85	630,565,108	210,877,202	42,290,155	20,517,627	1,080,600	905,330,692	.002092053	1,893,914 (Nearest \$1)	1,894,000
FY 1986	05/85-07/01/85	630,565,108	210,877,202	42,290,155	20,517,627	1,080,600	905,330,692	.0002762359	249,999 (Nearest \$1)	250,000
FY 1987	05/86-07/01/86	670,908,924	238,902,099	43,400,274	19,213,032	1,211,241	973,635,570	.0019916011	1,938,997 (Nearest \$1)	1,939,000
FY 1987	05/86-07/01/86	670,908,924	238,902,099	43,400,274	19,213,032	1,211,241	973,635,570	.0002568575	249,993 (Nearest \$1)	250,000
FY 1987	11/86-12/01/86	670,908,924	238,902,099	43,400,274	19,213,032	1,211,241	973,635,570	.00014388701	139,999 (Nearest \$1)	140,000
FY 1988	05/87-07/01/87	645,757,051	275,047,659	45,215,835	17,911,730	936,922	984,869,197	.002253091	2,219,000 (Nearest \$1)	2,219,000
FY 1989	05/88-07/01/88	721,684,049	286,419,434	48,176,192	17,744,522	1,035,357	1,075,059,544	.002148	2,309,000 (Nearest \$1)	2,309,000
FY 1989	09/19/88-11/21/88	721,684,049	286,419,434	48,176,192	17,744,522	1,035,357	1,075,059,554	.0000716949	77,000 (Nearest \$1)	77,000
FY 1990	05/01/89-07/01/89	783,537,776	312,154,685	50,659,705	18,555,805	1,214,007	1,166,121,978 <sup>1</sup>	.002266354	2,642,845 (Nearest \$1) <sup>2</sup>	2,696,000
FY 1990	05/26/89-07/01/89		312,154,685				312,154,685 <sup>1</sup>	.000144158	45,000 (Nearest \$1)	45,000
FY 1991	05/01/90-07/01/90	837,377,145	349,185,418	52,855,076	21,928,319	1,536,596	1,262,883,554 <sup>1</sup>	.00219111	2,767,117 (Nearest \$1) <sup>3</sup>	2,910,000

<sup>1</sup> Does not include utilities with revenues less than \$50,000 per year.

<sup>2</sup> Assessment was reduced by \$53,155 which was available from the balance remaining in FY 88.

<sup>3</sup> Assessment was reduced by \$142,883 which was available from the balance remaining in FY 89.





#### IV. CASE STATISTICS AND OTHER ACTIVITIES

##### 1. Caseload

At the end of calendar year 1989, 148 cases were pending on the Public Utilities Commission Docket. During 1990, 341 new cases were docketed. 80 of the 148 pre-1990 cases and 255 of the 341 new cases were closed during 1990. At the end of 1990, 154 cases remained on the Commission's docket. Thus, in 1990, the Commission closed 335 cases. (See Exhibit F)

Exhibit G breaks down Commission activity in 1990 by type of utility and type of Commission initiated action, e.g., investigations and rulemakings, and further details the types of cases that were docketed during 1990.

The following explanations will assist the reader in interpreting these Exhibits:

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<sup>1</sup> All references in this section are to calendar year(s) unless otherwise noted.

<u>TERM</u>	<u>EXPLANATION</u>
Rates - General	Pursuant to filing requirements of Chapter 120 and Sections 307 and 310, <sup>1</sup> the Commission reviews proposed changes in rates. General rate filings involve general increases in rates that significantly affect the utility's revenues. The Commission may suspend these filings for up to nine months. At the end of nine months, in the absence of action by the Commission, these rates become effective by operation of law.
Rates - Limited	Pursuant to Sections 307 and 310, limited rate filings involve minor adjustments to individual tariffs and do not significantly impact on overall utility revenues.
Terms and Conditions	Pursuant to Section 304, every public utility shall file all terms and conditions that affect rates charged or to be charged for any service.
Rates - Municipal and Quasi-Municipal Water Utilities	Under Section 6104, rate filings by municipal and quasi-municipal water utilities are effective by operation of law unless a valid petition is received.
Rates - Customer-Owned Electric Utilities	Under Section 3502 rate filings by customer-owned electric utilities are effective by operation of law unless a valid petition is received.
Security Issuances	Pursuant to Section 902, the Commission must approve the issuance of securities by utilities.
Sell Lease Mortgage of Property	Sections 1101, <u>et seq.</u> require Commission authorization before a utility can sell, lease, assign mortgage or otherwise dispose of property.

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<sup>1</sup> Unless otherwise noted, all references in these explanations are to sections of 35-A M.R.S A.

Change of Capital	Pursuant to Section 910, no utility can change its capital or purposes without consent or approval of the Commission.
Commercial Transportation of Water	Pursuant to 22 M.R.S.A. Section 2660, the Commissioner of the Department of Human Services consults with the Commission (among other agencies) as to whether proposals to transport water commercially from a site where it occurs naturally will constitute a threat to public health, safety or welfare, particularly in regard to its affect upon existing water utilities and their watersheds.
Agreements/Contracts	Pursuant to Section 703, the Commission must approve special contracts between utilities and customers.
Reorganization/Affiliated Interests	Under Sections 707 and 708, the Commission must approve financial transactions between a utility and an affiliated interest as well as utility reorganizations.
Commission Rulemakings	Section 111 authorizes the Commission to promulgate all necessary rules.
Commission Investigations	Section 1303 authorizes the Commission to investigate a utility whenever it believes any rate is unreasonable or that any service is inadequate or for any other appropriate reason.
Commission Delegations	Pursuant to Section 107, the Commission may delegate to its staff certain duties in order to more efficiently accomplish the purposes of the Commission.
Advisory Rulings	Chapter 110, Part 6 of the Commission Rules provides that any interested person may petition the Commission for an advisory ruling with respect to the applicability of any statute or rule administered by the Commission.
Ten-Person Complaints	Section 1302 provides for Commission investigation of written complaints signed by ten or more persons made against any public utility.

System Development Charge	Pursuant to Section 6107 the Commission shall investigate this charge.
Public Convenience and Necessity	Pursuant to Sections 2102, <u>et seq.</u> , a utility must seek Commission approval in order to provide service to a city or town in which another utility is already providing or is authorized to provide service.
Extension of Service	Pursuant to Section 2110, Commission authorization is required before a utility may extend its service.
Exemptions/Waivers	Pursuant to Chapters 110 and 120 of the Commission Rules, the Commission may grant exemptions or waivers from certain of the Commission's rules.
Cost of Fuel Adjustments	Section 3101 and Chapters 34 and 36 of the Commission's Rules requires an electric utility to seek Commission approval at least annually in order to adjust its charges to customers to reflect increases or decreases in the cost of fuel used in the generation and supply of electricity. A fuel adjustment filing triggers a Section 1303 investigation. Concurrent with the filing of cost of fuel adjustments, the electric utility must file short-term avoided costs (for periods less than one year).
Limited Service Agreements	Chapter 620 of the Commission's Rules requires Commission approval of written agreements under which a water company agrees to provide and a customer agrees to accept a substandard level of service.
Cost of Gas Adjustments	Pursuant to Section 4703, a gas utility must seek Commission approval in order to adjust its gas charges to its customers to reflect increases or decreases in the cost of gas.
Conservation	Pursuant to Section 3154, utilities may file to recover reasonable costs associated with the implementation of conservation programs; and, pursuant to Chapter 380 of the Commission's Rules, utilities are authorized to undertake certain demand-side energy management programs not specifically ordered by the Commission providing the programs meet the cost effectiveness standard.

Construct  
Transmission Line

Pursuant to Section 3132, construction of generating facilities and transmission lines are prohibited without Commission approval.

Cogeneration  
Contract Disputes

Pursuant to Section 3306, if small power producers or cogenerators and the public utility are unable to agree to a contract for electricity, or to a price for electricity purchases by a utility, or to an equitable apportionment of existing transmission and distribution line improvement costs, the Commission shall require the utility to purchase the power at rates/terms the Commission establishes.

2. Rate Case  
Decisions

During calendar year 1990 four Section 3502, customer-owned electric utilities, rate cases and one electric utility general rate case were processed (Exhibit I). In addition, twenty-one Section 6104 municipal and quasi-municipal water utility rate cases (Exhibit K) and nine general water utility rate cases were processed (Exhibit L).

Exhibit J indicates that the 1990 fuel revenues accounted for approximately \$458.3 million of approximately \$945 million in gross operating revenues for Central Maine power Company, Bangor Hydro-Electric Company and Maine Public Service Company combined. This Exhibit also charts the historic proportionate ratio of fuel revenue to gross revenue for Maine's three largest electric utilities since 1988.

Also, referring to Exhibit J, the 1990 Northern Utilities cost of gas accounted for approximately \$14.5 million of \$26.2 million in gross operating revenues.

A large portion of the Commission's work is generally devoted to a small number of cases, usually involving the larger utilities. Exhibit M demonstrates this fact. Of 122 days of hearings held by the Commission in 1990, 69 of these were devoted to four cases.

	<u>Electric</u>	<u>Communications</u>	<u>Gas</u>	<u>Water</u>	<u>Water Carrier</u>	<u>Rulemakings</u>	<u>Investigations</u>	<u>Delegations</u>	<u>Misc.</u>	<u>Total</u>
1986 CASE SUMMARY										
Cases Docketed in 1986	36	90	13	55	13	17	2	6	6	246
Cases Docketed in 1986	47	88	9	61	13	15	3	2	8	246
Cases Pending 12/31/86	26	44	7	16	1	8	9	0	0	126
1987 CASE SUMMARY										
Cases Docketed in 1987	80	94	12	81	5	18	10	2	13	315
Cases Docketed in 1987	81	105	16	76	6	15	28	2	13	342
Cases Pending 12/31/87	25	33	3	21	0	11	6	0	0	99
1988 CASE SUMMARY										
Cases Docketed in 1988	76	121	5	104	3	15	10	5	9	348
Cases Decided in 1988	61	108	5	92	2	20	5	5	2	300
Cases Pending 12/31/88	40	46	3	33	1	6	11	0	7	147





	<u>Electric</u>	<u>Communications</u>	<u>Gas</u>	<u>Water</u>	<u>Water Carrier</u>	<u>Rulemakings</u>	<u>Investigations</u>	<u>Delegations</u>	<u>Misc.</u>	<u>Total</u>
1989 CASE SUMMARY										
Cases Docketed in 1989	87	173	6	137	14	4	8	3	8	440
Cases Decided in 1989	99	152	4	145	12	6	3	3	15	439
Cases Pending 12/31/89	28	67	5	25	3	4	16	0	0	148
1990 CASE SUMMARY										
Cases Docketed in 1990	83	117	8	107	8	3	7	1	7	341
Cases Decided in 1990	79	118	8	105	9	4	4	1	7	335
Cases Pending 12/31/91	32	66	5	27	2	3	19	0	0	154



## 1990 Cases Docketed

<u>Filings</u>								
<u>Type</u>	<u>Electric</u>	<u>Gas</u>	<u>Communications</u>	<u>Water</u>	<u>Water Carrier</u>	<u>Others</u>	<u>Comm. Initiated</u>	<u>Totals</u>
Rates - General	2		1	8	1			12
Rates - Limited	6	2	80	3	1			92
Terms & Conditions (§ 304)	2		1	6	1			10
Rates - Water District (§ 6104)				22				22
Rates - Customer-Owned Electric (§ 3502)	4							4
Securities Issues (§ 902)	8		3	34				45
Sell, Lease or Mortgage of Property (§ 1101 et seq.)	1		2	5	2			10
Change of Capital (§ 910)	1							1
Transport Water, Commercially (22 M.R.S.A. § 2660)						5		5
Agreements/Contracts (§ 703)	3		5					8
Reorganizations/Affiliated Interests (§§ 707 & 708)	7	2	6	4				19
Commission Rulemakings (§ 111)							3	3
Commission Investigations (§ 1303)							7	7
Commission Delegations (§ 107)							1	1
Advisory Rulings (Chapter 110, Part 6)	2		1					3
Ten-Person Complaints (§ 1302)	5		4	2				11
System Development Charge (§ 6107)				1				1
Public Convenience & Necessity (§ 2102 et seq.)	2		10		1			13
Extension of Service (§ 2110)	1							1
Exemptions/Waivers - Rules/Statutes (Chapters 110 & 120)	12		2	17				31
Cost of Fuel Adjustments (§ 3101)	3							3
Limited Service Agreement (Chapter 620)				3				3
Cost of Gas Adjustments (§ 4703)		4						4
Conservation (§ 3154)	16							16
Construct Transmission Line (§ 3132)	1							1
Cogeneration Contract Dispute (§ 3306)	2							2
Others	<u>5</u>	<u>—</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2*</u>	<u>—</u>	<u>13</u>
Totals	83	8	117	107	8	7	11 =	<u>341</u>

\* Includes 2 Docket Numbers assigned to cases not initiated or docketed in error.



INVESTIGATION INTO THE REASONABLENESS OF CONTEL OF MAINE'S RATES

<u>Company</u>	<u>Docket Number</u>	<u>Total Revenue Change</u>	<u>Overall Return</u>	<u>Return on Equity</u>	<u>Effective Date</u>
Contel of Maine, Inc.	90-040	(\$ 1,173,468)	9.76%	12.25%	1/1/91



EXHIBIT I

CUSTOMER-OWNED ELECTRIC UTILITIES  
RATE CASES PURSUANT TO § 3502  
EFFECTIVE IN 1990

<u>Docket No.</u>	<u>Utility</u>	<u>Proposed Revenue</u>	<u>Increase Over Prior Year</u>	<u>% Increase</u>
90-035	Union River Electric Cooperative	\$ 889,924	\$ 107,682	13.8
90-304	Swans Island Electric Cooperative	\$ 334,829	\$ 31,607	10.4
90-311	Fox Island Electric Cooperative	\$1,049,447	\$ 38,427	5.5
90-317	Houlton Water Company	\$6,655,145	\$ 488,683	8.5

ELECTRIC UTILITY GENERAL RATE CASES  
FILED PURSUANT TO §§ 307, 310  
EFFECTIVE IN 1990

<u>Docket No.</u>	<u>Utility</u>	<u>Amount Requested</u>	<u>Amount Allowed</u>	<u>% Increase Allowed</u>
90-001	Bangor Hydro-Electric Co.	\$ 9,004,873	\$1,600,000	1.3
90-076	Central Maine Power Co.	\$58,525,000 \$64,500,000	(Decision Due 2/28/91) (Revised)	





FUEL IN ELECTRIC RATES  
(\$000)

Company	1988 Gross Revenue	1988 Fuel Revenue	1988 Fuel %	% Change in Fuel Revenue	1989 Gross Revenue	1989 Fuel Revenue	1989 Fuel %	% Change in Fuel Revenue	1990 Gross Revenue	1990 Fuel Revenue	1990 Fuel %	% Change in Fuel Revenue
C.M.P.	\$634,597	\$266,823	42.0	11.6	\$685,436	\$305,384	44.6	14.5	\$756,344	\$364,708	48.2	19.4
B.H.E.	\$113,042	\$ 55,002	48.7	67.6	\$119,897	\$ 60,137	50.2	9.3	\$134,132	\$ 73,323	54.7	21.9
M.P.S.	\$ 54,214	\$ 19,584	36.1	23.6	\$ 56,837	\$ 21,616	38.0	10.4	\$ 54,530	\$ 20,276	37.2	(6.2)
	<u>\$801,853</u>	<u>\$341,409</u>	<u>42.6</u>	<u>18.7</u>	<u>\$862,170</u>	<u>\$387,137</u>	<u>44.9</u>	<u>13.4</u>	<u>\$945,006</u>	<u>\$458,307</u>	<u>48.5</u>	<u>18.4</u>

COST OF GAS ADJUSTMENT IN NATURAL GAS RATES  
(\$000)

Company	1988 Gross Revenue	1988 Gas Cost	1988 % Gas	% Change in Gas Revenues	1989 Gross Revenue	1989 Gas Cost	1989 % Gas	% Change in Gas Revenues	1990 Gross Revenue	1990 Gas Cost	1990 % Gas	% Change in Gas Revenues
N.U.	\$ 18,338	\$ 9,894	54.0	3.3	\$ 21,840	\$ 12,290	56.3	19.1	\$ 26,182	\$ 14,518	55.5	19.9



MUNICIPAL & QUASI-MUNICIPAL WATER UTILITIES  
RATE CASES PURSUANT TO §6104

Docket No.	Utility	Proposed Revenue	Increase over Prior Year	% Increase	Effective	
=====	=====	=====	=====	=====	=====	
90-018	Addison Point Water District	\$7,080.00	\$3,523.00	99.00	2/18/90	
90-027	Dixfield Water Department	\$93,120.00	\$32,040.00	52.40	3/4/90	
90-042***	Portland Water District	\$10,595,000.00	\$2,235,918.00	26.78	5/1/90	
90-048	Jay Village Water District	\$156,450.00	\$69,649.00	80.24	5/1/90	
90-063	Hampden Water District	\$324,881.00	\$109,720.00	51.00	4/21/90	
90-071	Augusta Water District	\$2,336,043.00	\$855,333.00	57.80	5/1/90	
90-101	Howland Water Department	\$151,100.00	\$122,978.00	437.30	1/1/91	2ND-step
90-131	Rumford Water District	\$535,561.00	\$259,550.00	94.00	1/1/91	2ND-step
90-132	Ellsworth Water Department	\$761,440.00	\$390,735.00	105.40	11/1/90	2ND-step
90-133***	Starks Water District	\$4,295.00	\$1,745.00	68.43	7/1/90	
90-150	Dexter Utility District	\$158,226.00	\$52,039.00	49.01	11/1/90	2ND-step
90-171	Lewiston Water Department	\$2,381,021.00	\$612,435.00	34.63	11/1/90	2ND-step
90-249	Livermore Falls Water District	\$519,812.00	\$232,504.00	80.93	1/1/91	
90-251	Bath Water District	\$1,106,875.00	\$316,983.00	40.20	10/22/90	
90-295	Ashland Water & Sewer District	\$122,826.00	\$14,483.00	13.37	1/1/91	
90-296	North Jay Water District	\$81,263.00	\$43,064.00	112.70	1/1/91	
90-313	Kennebec Water District	\$2,505,908.00	\$785,268.00	45.64	1/1/91	
90-314	Norway Water District	\$262,414.00	\$55,924.00	27.08	1/1/91	
90-316	Berwick Water Department	\$403,777.00	\$277,370.00	219.43	1/1/91	
90-321	Limerick Water District	\$39,226.00	\$10,031.00	34.40	12/31/90	
90-322	Jay Village Water District	\$193,494.00	\$37,044.00	23.70	12/31/90	

\*\*\* = failed §6104



EXHIBIT L

WATER UTILITY GENERAL RATE CASES  
FILED PURSUANT TO §§ 307, 310  
EFFECTIVE IN 1990

<u>Docket No.</u>	<u>Utility</u>	<u>Date Filed</u>	<u>Proposed Revenues</u>	<u>Allowed Revenue</u>	<u>Allowed Increase</u>	<u>Effective Date</u>	<u>% Increase</u>
* 89-015	York Water District	01/20/89	\$ 1,638,916	\$ 1,583,979	\$ 218,480	04/01/90	16.00
89-210	Camden & Rockland Water Co.	06/15/89	\$ 2,321,783	\$ 2,259,147	\$ 309,864	01/04/90	15.90
89-293	Phillips Water Company	08/02/89	\$ 49,825	\$ 49,924	\$ 13,055	01/04/90	35.41
** 89-351	Passamaquoddy Water District	09/15/89	\$ 481,051	\$ 530,355	\$ 227,530	04/09/90	75.14
89-354	Maine Water Company	09/15/89	\$ 1,105,265	\$ 1,049,803	\$ 91,950	04/10/90	9.60
89-325	Fryeburg Water Company	08/24/89	\$ 184,647	\$ 184,647	\$ 25,703	01/03/90	16.17
*** 89-380	Rangeley Water Company	10/26/89	\$ 170,201	\$ 146,539	\$ 67,244	03/26/90	84.80
90-081	Millinocket Water Company	04/03/90	\$ 620,062	\$ 620,062	\$ 81,044	05/02/90	15.04
90-110	Winter Harbor Water Company	05/18/90	\$ 108,644	\$ 93,881	\$ 13,153	08/20/90	16.29

\* Phase 2 rates filed 2/2/90 (increase is over 1989 normalized operating revenues).

\*\* Using 1988 normalized revenues of \$296,061, the increase would be 79.14%.

\*\*\* A temporary increase of 36.97% was granted effective 11/14/89.



EXHIBIT M

Days of Hearings Held in 1990

Central Maine Power Company Rate Design (89-68)	18
Central Maine Power Company Rate Case (90-076)	25
Bangor Hydro-Electric Company Rate Case (90-001)	13
Bangor Hydro-Electric Company Generating Facility Projects (90-193, 90-194, 90-195)	<u>13</u>
	69
Other than major cases	<u>53</u>
TOTAL	122





3. Consumer  
Assistance  
Division

The Consumer Assistance Division (CAD) received 4,532 contacts from utility customers in 1990, an 8% increase compared to last year: 1,580 complaints (35%), 2,737 requests for information (60%), 215 referrals to other agencies or organizations (4.7%), and 15 variance requests from utilities (.3%). Including the requests for permission to disconnect under the Winter Rule received in 1989-90 (1,515), the CAD handled 6,047 cases and contacts in 1990. This is a 42% increase since 1989.

There are several reasons for the increased CAD caseload:

- (1) Electric rates are increasing after a period of relative stability or decline;
- (2) the economy was in decline in 1990; and
- (3) both CMP and NET instituted changes in their credit and collection policies. This resulted in more disconnection disputes and, in the case of CMP, a reversal of their 1989 lenient winter collection policy and the filing of requests to disconnect at a level more typical of pre-1989.

Exhibit N shows total contacts, including requests to disconnect, since 1980.



EXHIBIT N

CONSUMER ASSISTANCE DIVISION  
COMPLAINTS/CONTACTS 1980-1990

<u>Year</u>	<u>Number of Contacts</u> (Including Requests to Disconnect)
1980	3,359
1981	4,673
1982	4,811
1983	4,428
1984	5,741
1985	4,351
1986	5,127
1987	4,013
1988	4,551
1989	4,257
1990	6,047



#### Adjustments

A total of \$52,504.55 was adjusted or reimbursed to utility customers as a result of CAD investigation or mediation of 98 cases.

Exhibit O shows the breakdown of adjustments by type of utility.

#### Appeals

The Commission received 25 appeals of CAD staff decisions in 1990. Of the 25 appeals, 23 were from customers and 2 were from utilities. The Commission declined to begin an investigation in 11 cases, thus upholding the CAD decisions. The CAD decision was changed or reversed in 1 case. At the end of 1990, 13 appeals were pending.



EXHIBIT O

CUSTOMER CHARGES ADJUSTED/WAIVED 1981-1990

<u>Year</u>	<u>Amount</u>
1981	\$ 61,703.71
1982	\$ 60,606.24
1983	\$ 94,934.70
1984	\$ 123,041.48
1985	\$ 52,594.40
1986	\$ 18,186.43
1987	\$ 104,815.29
1988	\$ 288,479.63
1989	\$ 142,431.80
1990	\$ 52,504.55

CUSTOMER CHARGES ADJUSTED/WAIVED 1990

<u>TELEPHONE:</u>	( 53 Customers)	\$ 24,115.17
<u>ELECTRIC:</u>	( 23 Customers)	\$ 11,457.47
<u>WATER:</u>	( 19 Customers)	\$ 16,513.84
<u>GAS:</u>	( 1 Customer )	400.00
<u>OTHER:</u>	( 2 Customers)	<u>\$ 18.07</u>
TOTAL:	( 98 Customers)	\$ 52,504.55





## Violations

The CAD issued 10 decision letters, finding one or more violations of the Commission's Rules in 1990. This was a reduction of 41 violation citations compared to 1989. There were no violations of the Winter Rule cited in 1990.

In part, this decrease is due to increased efforts in compliance with the Commission's Rules by utilities. However, this decrease is also due in part to the backlog in case review caused by the significant increase in customer complaints filed in the fall of 1990. During the first few days of 1991, CAD completed its review of a number of 1990 cases and cited violations in 14 of those cases. The CAD is still reviewing almost 70 cases from 1990.

Exhibit P shows the number and type of violations by utility.

## Exemptions

The CAD received 15 requests from utilities to grant an exemption from Chapter 81 for a particular customer in 1990: 8 were granted, 2 were denied and 5 were withdrawn. In most cases, the request for exemption was to seek a deposit from a new customer who applied for service at the same location where a spouse or other relative was disconnected for non-payment.



EXHIBIT P

Violations

<u>Electric Utilities (4)</u>	<u>Types of Violations</u>	<u>Total # of Violation Letters</u>
Bangor Hydro-Electric	1 Application for Service	2
	1 Broken Payment Arrangement - Disconnection	
Central Maine Power	1 Disconnection	2
	1 Disconnection Notice	
 <u>Telephone Utilities (3)</u>		
Contel	1 Deposit	1
New England Telephone	1 Broken Payment Arrangement Notice	1
Somerset	1 Billing	1
 <u>Water Utilities (2)</u>		
Auburn Water District	1 Disconnection	1
Kennebunk Water District	1 Application for Service	1
 <u>Gas Utility (1)</u>		
Northern Utilities	1 Broken Payment Arrangement - Disconnection	1



Winter Disconnection  
Rule

The CAD received 1,515 requests to disconnect residential customers from electric and gas utilities during the period November 15, 1989 through April 15, 1990. Of these requests, 439 (29%) were granted and 1076 (71%) were denied. This is a vast increase from the 72 filed in 1988-89.

Although every utility which usually submits requests to disconnect showed an increase in the number submitted, the most significant increases were with Central Maine Power Company (1,085 compared to 1 in 88/89) and Bangor Hydro-Electric Company (327 compared to 32 in 88/89).

Most requests to disconnect are filed in order to obtain contact with the customer. In most cases, the filing of the request triggers contact with the customer and negotiation of a payment arrangement. Requests are granted by the CAD when contact is not obtained with the customer or, in a few cases, the customer refuses to negotiate a payment arrangement.

Exhibit Q lists the disposition of the requests to disconnect by utility.



CONSUMER ASSISTANCE DIVISION  
UTILITY WINTER REQUESTS TO DISCONNECT

1989-1990

	<u>*Disconnect/ Ratio</u>	<u>Requests Granted</u>	<u>Requests Denied</u>	<u>Violations</u>
Central Maine Power	1,085/2.53	324	761	0
Bangor Hydro-Electric	327/3.97	86	241	0
Eastern Maine Electric	20/2.19	7	13	0
Madison Electric Dept.	18/9.34	1	17	0
Northern Utilities	20/1.66	5	15	0
Van Buren Light & Power	4/3.21	1	3	0
Houlton Water Co. (Elec. Div.)	12/3.24	4	8	0
Maine Public Service	27/0.97	11	16	0
Fox Island Electric Coop.	<u>2/1.57</u>	<u>0</u>	<u>2</u>	<u>0</u>
TOTALS	1,515	439	1076	0

\* Per 1000 residential customers.





INTAKE/INFORMATION CODES

DISPOSITION CODES

SERVICE

S1	New Service Delays (No extension/poles needed)	S1a	Private Line/Business Line
S2	Application for Service		
S3	Line/Maine Extensions	S3a	Delay
		S3b	Costs
S4	Service Repairs		
S5	Outages	S5a	Repeated Outages
		S5b	Line Clearance
S6	Service Classification		
S7	Denied Damage Claims		
S8	Customer Service	S8a	Unfair Sales Practices
		S8b	Conduct of Personnel
S9	Quality of Utility Service		
S10	Application for Serv (Indiv.)	S10a	Deposits
		S10b	Transferred Amount
		S10c	Denial for Other Reasons

MISCELLANEOUS

M1	Time-of-Use Rates
M2	Electric Demand Meters
M3	COCOTS
M4	Operator Service Provider (AOS)
M5	Rate Design/Rate Schedules (Establishment fees, approved rates, PUC decisions, conservation programs)
M6	900 Numbers
M7	Slamming

DISCONNECTION

D1	Regular Notice		
D2	Regular Notice/Disconnection		
D3	Broken Payment Arrangement Notice	D3a	CAD Previously Negotiated P.A.
D4	Broken Payment Arrangement/ Disconnection	D4a	CAD Previously Negotiated P.A.

BILLING [Customer]

Customer

B1	Disputed Bills/Payments	B1a	Transferred amounts
		B1b	3rd Party Calls
		B1c	Directory/advert
		B1d	Estimated bills
		B1e	Previously Unbilled Service
B2	High Usage		
B3	Repair Charges		
B4	Disputed P.A. Negotiation (No disconnection notice)		
B5	Disputed P.A. renegotiation (No disconnection notice)	B5a	CAD Previously Negotiated P.A.
B6	Deposits		



## Complaints

The CAD closed 1,417 complaints in 1990, a 21% increase from 1989. Even this increase does not include the 411 complaints received in 1990, but still pending at year-end. A dramatic increase in complaints from NET and CMP customers was the source for most of this increase. Over 90% of all complaints were from residential customers.

Exhibit S shows the total of all complaints closed by type of utility and type of complaint. Exhibit R explains CAD complaint codes. Exhibits T through W describe closed complaints for each utility in more detail.

Utilities are listed in order of the highest complaint ratio to the lowest. The complaint ratio was calculated by dividing the number of complaints by the number of customers (residential and commercial) and multiplying by 1000.

A "complaint" does not mean that a utility has done anything wrong. It does mean a utility was unable to resolve a dispute with a customer. In addition, the number of complaints is not the only determinative of an adequate credit and collection program. If one complaint results in a discovery of a system-wide violation, for example, the complaint ratio itself is not as important. Therefore, complaint ratios as well as the violation data are reviewed carefully to determine staff priorities.

A high complaint ratio could mean either that a utility does not resolve disputes fairly (i.e., correctly) or that the employees dealing with customers are not properly trained in dispute resolution procedures. In either case, a snapshot is not as helpful in determining whether a significant problem exists as a trend over time.

This increase in complaints is a reversal of the downward trend seen in the prior two years. The bulk of the increase in closed complaints was due to disputed disconnections and payment arrangements filed by NET customers. Although closed electric cases only increased by 10 or 2%, the CAD had 202 electric cases pending at year-end, 60% of them from CMP customers.

EXHIBIT S  
(Page 1 of 2)

COMPLAINTS CLOSED BY THE  
CONSUMER ASSISTANCE DIVISION  
1990

TYPE OF UTILITY	ELECTRIC	TELEPHONE	WATER	GAS	WATER CARRIERS	OTHER	1989 TOTAL	1990 TOTAL
<b>SERVICE</b>								
S1	11	31	1	0	0	0	77	43
S1a	0	0	1	0	0	0	0	1
S2	4	5	4	2	0	0	0	15
S3	29	9	19	0	0	0	66	57
S3a	7	8	0	0	0	0	0	15
S3b	3	0	0	0	0	0	0	3
S4	19	35	14	0	0	1	99	69
S5	8	2	0	0	0	0	15	10
S5a	3	0	0	0	0	0	0	3
S5b	0	2	0	0	0	0	0	2
S6	1	2	0	0	0	0	11	3
S7	9	2	0	0	0	0	18	11
S8	5	14	2	0	0	1	0	22
S8a	0	3	0	1	0	0	0	4
S8b	1	0	0	0	0	0	0	1
S9	8	14	6	1	0	1	0	30
S10	2	2	1	0	0	0	0	5
S10a	0	0	0	0	0	0	0	0
S10b	0	1	0	0	0	0	0	1
S10c	0	0	1	0	0	0	0	1
TOTAL#	110	130	49	4	0	3	286	296
TOTAL%	18.52%	18.54%	54.44%	16.00%	0.00%	42.86%	24.34%	20.89%
<b>MISCELLANEOUS</b>								
M1	6	0	0	0	0	0	0	6
M2	1	0	0	0	0	0	0	1
M3	0	0	0	0	0	0	3	0
M4	0	0	0	0	0	0	3	0
M5	22	32	4	1	0	0	78	59
M6	0	0	0	0	0	0	0	0
M7	0	0	0	0	0	0	0	0
TOTAL#	29	32	4	1	0	0	84	66
TOTAL%	4.88%	4.56%	4.44%	4.00%	0.00%	0.00%	7.15%	4.66%
<b>DISCONNECTION</b>								
D1	42	41	5	1	0	0	373	89
D2	31	22	6	3	0	0	115	62
D3	209	362	4	7	0	0	0	582
D3a	2	7	0	0	0	0	0	9
D4	50	27	0	1	0	0	0	78
D4a	0	1	0	0	0	0	0	1
TOTAL#	334	460	15	12	0	0	488	821
TOTAL%	56.23%	65.62%	16.67%	48.00%	0.00%	0.00%	41.53%	57.94%



EXHIBIT S  
(Page 2 of 2)

COMPLAINTS CLOSED BY THE  
CONSUMER ASSISTANCE DIVISION  
1990

TYPE OF UTILITY	ELECTRIC	TELEPHONE	WATER	GAS	WATER CARRIERS	OTHER	1989 TOTAL	1990 TOTAL
<b>BILLING</b>								
B1	41	39	13	3	0	4	113	100
B1a	0	3	0	1	0	0	0	4
B1b	0	4	0	0	0	0	0	4
B1c	0	7	0	0	0	0	12	7
B1d	0	0	0	1	0	0	10	1
B1e	1	1	3	0	0	0	0	5
B2	29	5	6	1	0	0	35	41
B3	1	1	0	0	0	0	39	2
B4	32	11	0	1	0	0	0	44
B5	10	5	0	0	0	0	91	15
B5a	0	1	0	0	0	0	0	1
B6	7	2	0	1	0	0	17	10
TOTAL#	121	79	22	8	0	4	317	234
TOTAL%	20.37%	11.27%	24.44%	32.00%	0.00%	57.14%	26.98%	16.51%
<hr/>								
1990 COMPLAINT TOTAL	594	701	90	25	0	7	1175	1417

\*The percentage shown is a comparison of the category compared to the number of complaints.





## Electric Utility Complaints

The CAD closed 594 electric utility complaints in 1990, 56% relating to disconnections, 18.5% involved service quality or requests for new service and 20% concerned billing disputes. However, this slight rise is somewhat misleading because there were a larger number of cases than normal (411) remaining open at the end of 1990. Of the 411 cases remaining open on December 31, 1990, 202 involved electric utilities. Thus, the number of complaints against electric utilities increased more than the closed complaint figures actually indicate. The area with the largest reduction in complaints was the service area which declined by 31 complaints. The number of disconnection complaints went up by 41 cases. Of the 12 electric utilities, 9 had decreases in complaints, 2 had increases and one remained the same compared to last year.

Of the three major electric utilities, Central Maine Power Company (CMP) was the only company to show an increase in complaints; their complaints went up by 61 or 16% over last year. This increase does not include the over 100 CMP complaints still pending at year end. This was primarily due to changes in CMP's collection policies and practices in the fall of 1990. The Company refused to renegotiate payment arrangements and disconnections soared. Bangor Hydro-Electric (BHE) had a decrease of 10 complaints or 9%. Maine Public Service Company's (MPS) complaints decreased by 29 or 58%. MPS had a substantial decrease in the number of disconnection complaints compared to last year, 24 or 67%.

Van Buren Light & Power District had the highest number of complaints per 1000 customers for the third year in a row. However, the number of complaints did continue to decline, dropping by 33%. Madison Electric Works remained the company with the second highest complaint

ratio, but continued to show a decrease in the number of complaints. There were no complaints closed by CAD in 1990 involving either Swans Island Electric Cooperative or Union River Electric Cooperative.

EXHIBIT T

1990 ELECTRIC UTILITY COMPLAINTS

COMPANY	SERVICE # / %	MISC. # / %	DISCONNECT # / %	BILLING # / %	# OF COMPLAINTS, COMPLAINTS PER 1000 CUSTOMERS	
					1989 TOTAL	1990 TOTAL
VAN BUREN LIGHT & POWER DISTRICT	1 16.67%	0 0.00%	4 66.67%	1 16.67%	9 6.23	6 3.87
MADISON ELECTRIC WORKS DEPARTMENT	3 42.86%	0 0.00%	4 57.14%	0 0.00%	9 4.28	7 3.19
LUBEC WATER & ELECTRIC DISTRICT	2 66.67%	0 0.00%	1 33.33%	0 0.00%	2 1.60	3 2.21
BANGOR HYDRO-ELECTRIC CO.	29 29.00%	0 0.00%	44 44.00%	27 27.00%	110 1.16	100 1.06
KENNEBUNK LIGHT & POWER DISTRICT	1 25.00%	0 0.00%	2 50.00%	1 25.00%	6 1.54	4 0.96
CENTRAL MAINE POWER CO.	68 15.35%	27 6.09%	261 58.92%	87 19.64%	382 0.85	443 0.93
FOX ISLANDS ELECTRIC COOPERATIVE, INC.	1 100.00%	0 0.00%	0 0.00%	0 0.00%	2 1.52	1 0.69
MAINE PUBLIC SERVICE CO.	4 19.05%	2 9.52%	12 57.14%	3 14.29%	50 1.57	21 0.62
HOULTON WATER CO. ELECTRIC DEPT.	0 0.00%	0 0.00%	3 100.00%	0 0.00%	3 0.63	3 0.62
EASTERN MAINE ELECTRIC COOPERATIVE, INC.	1 16.67%	0 0.00%	3 50.00%	2 33.33%	8 0.73	6 0.58
SWANS ISLAND ELECTRIC COOPERATIVE INC.	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 2.39	0 0.00
UNION RIVER ELECTRIC COOPERATIVE, INC.	0 0.00%	0 0.00%	0 0.00%	0 0.00%	2 1.16	0 0.00
1990 TOTAL ALL COMPANIES	110 18.52%	29 4.88%	334 56.23%	121 20.37%	584	594

NOTE: COMPANIES ARRANGED IN ORDER OF HIGHEST # OF COMPLAINTS PER 1000 CUSTOMERS.



Telephone Utility  
Complaints

Of the 701 complaints received concerning telephone utilities regulated by the Commission, 18.5% concerned service quality or requests for new service, 11% related to billing disputes and 66% concerned disconnections. The reason for the dramatic increase in the number of telephone complaints was the significant increase in complaints against New England Telephone (NET). NET's complaints increased from 289 in 1989 to 607 in 1990, a 110% increase. The number of complaints received against independent telephone companies dropped from 111 in 1989 to 94 in 1990, a 15% reduction.

The number of complaints involving disconnection increased by 299 complaints or 186%. NET's disconnection complaints increased dramatically from 129 in 1989 to 419 in 1990, a 225% increase.

Several telephone companies improved their complaint ratio performance compared to 1989: Oxford, China, Continental, Saco River, and Hartland & St. Albans Telephone Companies showed significant reductions in their complaint ratio. China Telephone, in particular, moved from the highest complaint ratio to number 12.

Six telephone companies, NET, Union River, Cobboseecontee, West Penobscot, Pine Tree, and Unity had a higher complaint ratio this year, but the actual complaint increases were very small except at NET.



## 1990 TELEPHONE UTILITY COMPLAINTS

COMPANY	SERVICES # / %	MISC. # / %	DISCONNECT # / %	BILLING # / %	# OF COMPLAINTS, COMPLAINTS PER 1000 CUSTOMERS	
					1989 TOTAL	1990 TOTAL
*UNION RIVER TELEPHONE CO.	0 0.00%	3 100.00%	0 0.00%	0 0.00%	1 1.40	3 3.30
HAMPDEN TELEPHONE CO.	1 16.67%	0 0.00%	3 50.00%	2 33.33%	6 2.74	6 2.74
WARREN TELEPHONE CO.	0 0.00%	1 50.00%	1 50.00%	0 0.00%	2 1.74	2 1.65
COMMUNITY SERVICE TEL. CO.	0 0.00%	1 8.33%	8 66.67%	3 25.00%	14 1.81	12 1.41
COBBOSSEECONTEE TEL. & TEL. CO.	0 0.00%	0 0.00%	0 0.00%	1 100.00%	0 0.00	1 1.41
NEW ENGLAND TEL. & TEL. CO.	110 18.12%	21 3.46%	419 69.03%	57 9.39%	289 0.59	607 1.26
OXFORD COUNTY TEL. & TEL. CO.	2 40.00%	0 0.00%	2 40.00%	1 20.00%	10 2.72	5 1.21
WEST PENOBSCOT TEL. & TEL. CO.	0 0.00%	0 0.00%	1 50.00%	1 50.00%	0 0.00	2 1.17
PINE TREE TEL. & TEL. CO.	1 20.00%	1 20.00%	0 0.00%	3 60.00%	2 0.47	5 1.09
STANDISH TELEPHONE CO.	0 0.00%	1 20.00%	4 80.00%	0 0.00%	6 1.19	5 0.92
CONTINENTAL TEL. OF MAINE	10 29.41%	3 8.82%	17 50.00%	4 11.76%	37 0.97	34 0.86
CHINA TELEPHONE CO.	1 50.00%	0 0.00%	1 50.00%	0 0.00%	9 3.93	2 0.80
LINCOLNVILLE TELEPHONE CO.	0 0.00%	0 0.00%	1 100.00%	0 0.00%	1 0.79	1 0.79
SOMERSET TELEPHONE CO.	2 28.57%	0 0.00%	1 14.29%	4 57.14%	8 0.96	7 0.76
SACO RIVER TEL. & TEL. CO.	0 0.00%	0 0.00%	2 50.00%	2 50.00%	7 1.27	4 0.66
UNITY TELEPHONE CO.	0 0.00%	1 50.00%	0 0.00%	1 50.00%	1 0.36	2 0.63
HARTLAND & ST. ALBANS TELEPHONE CO.	0 0.00%	0 0.00%	0 0.00%	0 0.00%	4 1.61	0 0.00
*BRYANT POND TELEPHONE COMPANY	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 2.15	0 0.00





1990 TELEPHONE UTILITY COMPLAINTS

COMPANY	SERVICES # / %	MISC. # / %	DISCONNECT # / %	BILLING # / %	# OF COMPLAINTS, COMPLAINTS PER 1000 CUSTOMERS	
					1989 TOTAL	1990 TOTAL
CELLULAR ONE	1 100.00%	0 0.00%	0 0.00%	0 0.00%	2 ---	1 ---
U.S. CELLULAR	1 100.00%	0 0.00%	0 0.00%	0 0.00%	0 ---	1 ---
COM-NAV, INC.	1 100.00%	0 0.00%	0 0.00%	0 0.00%	0 ---	1 ---
1990 TOTAL ALL COMPANIES	130 18.54%	32 4.56%	460 65.62%	79 11.27%	400	701

NOTE: COMPANIES ARRANGED IN ORDER OF HIGHEST # OF  
COMPLAINTS PER 1000 CUSTOMERS.



Gas Utility

Northern Utilities, Inc. had a total of 25 complaints for a complaint ratio of 1.55. This was a significant decrease compared to a complaint ratio of 2.21 in 1989. There was a decrease of 9 complaints or 27%. There was a significant decrease in the number of complaints in the area of service. The areas of disconnection and billing also showed decreases.



1990 GAS UTILITY COMPLAINTS  
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COMPANY					# OF COMPLAINTS	
	SERVICE	MISC.	DISCONNECT	BILLING	COMPLAINTS PER 1000 CUSTOMERS	
	# / %	# / %	# / %	# / %	1989 TOTAL	1990 TOTAL
NORTHERN UTILITIES, INC.	4 0.16	1 0.04	12 0.48	8 0.32	34 2.21	25 1.55



## Water Utility Complaints

The Commission regulates 147 water utilities. 90 complaints were registered against 37 water utilities. When compared to 1989, complaints against water utilities showed a decline of 28%. Complaints against water utilities have declined for the second year in a row. The distribution of complaints by issue was similar to 1989: 54% concerned service quality or requests for service, 24% concerned billing disputes and 17% related to disconnection. There was a significant reduction in service complaints, 39%, and a slight increase in billing complaints. One of the service categories with the largest number of complaints (19) related to water main extensions. The service category with the second largest number of complaints (14) was service repairs.

The small number of complaints and small customer base makes the complaint ratio for most water utilities less significant. CAD does not consider the report of one complaint per year against a small water utility as significant. However, consistently high complaint ratios do result in staff investigations in order to determine the causes for the high number of complaints.

Among the larger water districts, Portland Water District's complaint ratio decreased for the second year in a row going from .74 in 1989 to .50 in 1990. This is primarily due to a reduction in service disputes; there was a slight increase in disconnection complaints and a doubling of billing complaints; Bangor Water District went from .33 to .11. Augusta Water District had no complaints in 1990. Houlton stayed the same as last year with .52, and Auburn stayed the same as last year with .17.





1990 WATER UTILITY COMPLAINTS

COMPANY	SERVICE # / %	MISC. # / %	DISCONNECT # / %	BILLING # / %	# OF COMPLAINTS, COMPLAINTS PER 1000 CUSTOMERS	
					1989 TOTAL	1990 TOTAL
*Port Clyde Water District	1 100.00%	0 0.00%	0 0.00%	0 0.00%	1 8.85	1 8.85
*Clinton Water District	0 0.00%	0 0.00%	2 50.00%	2 50.00%	0 0	4 8.81
*Rangeley Water Company	1 33.33%	1 33.33%	1 33.33%	0 0.00%	0 0	3 7.87
*Richmond Utilities District	2 66.67%	1 33.33%	0 0.00%	0 0.00%	1 1.96	3 5.69
*Newport Water District	2 66.67%	0 0.00%	1 33.33%	0 0.00%	0 0	3 4.80
*Limerick Water District	1 100.00%	0 0.00%	0 0.00%	0 0.00%	0 0	1 4.48
*Passamaquoddy Water District	3 100.00%	0 0.00%	0 0.00%	0 0.00%	13 18.36	3 4.24
*Northport Village Corporation	1 100.00%	0 0.00%	0 0.00%	0 0.00%	1 4.10	1 4.10
*Hartland Water Company	1 100.00%	0 0.00%	0 0.00%	0 0.00%	0 0	1 3.89
*Rumford Water District	2 100.00%	0 0.00%	0 0.00%	0 0.00%	0 0	2 3.35
*Bethel Water District	0 0.00%	0 0.00%	0 0.00%	1 100.00%	0 0	1 2.34
*East Boothbay Water District	1 100.00%	0 0.00%	0 0.00%	0 0.00%	0 0	1 1.78
*Anson Water District	0 0.00%	0 0.00%	0 0.00%	1 100.00%	0 0	1 1.75
*Fryeburg Water Company	0 0.00%	0 0.00%	0 0.00%	1 100.00%	0 0	1 1.66
*Bridgton Water District	1 100.00%	0 0.00%	0 0.00%	0 0.00%	1 1.51	1 1.51
Farmington Village Corporation	2 100.00%	0 0.00%	0 0.00%	0 0.00%	3 2.17	2 1.37



1990 WATER UTILITY COMPLAINTS

COMPANY	SERVICE		MISC.		DISCONNECT		BILLING		# OF COMPLAINTS, COMPLAINTS PER 1000 CUSTOMERS	
	# / %	# / %	# / %	# / %	# / %	# / %	# / %	# / %	1989 TOTAL	1990 TOTAL
Old Town Water District	1 25.00%	0 0.00%	2 50.00%	1 25.00%	0 0	4 1.24				
Belfast Water District	1 50.00%	1 50.00%	0 0.00%	0 0.00%	1 0.68	2 1.20				
*Southwest Harbor Water Department	0 0.00%	0 0.00%	0 0.00%	1 100.00%	0 0	1 1.08				
Lisbon Water District	2 100.00%	0 0.00%	0 0.00%	0 0.00%	1 0.51	2 1.01				
South Berwick Water District	0 0.00%	0 0.00%	0 0.00%	1 100.00%	2 1.99	1 0.93				
Skowhegan Water Company	1 100.00%	0 0.00%	0 0.00%	0 0.00%	2 1.02	1 0.92				
Kennebec Water District	6 100.00%	0 0.00%	0 0.00%	0 0.00%	5 0.63	6 0.75				
Kittery Water District	0 0.00%	0 0.00%	0 0.00%	1 100.00%	0 0	1 0.66				
K'bung, K'bungport, & Wells Water District	5 83.33%	0 0.00%	0 0.00%	1 16.67%	1 0.11	6 0.65				
Caribou Water Works Corporation	0 0.00%	0 0.00%	0 0.00%	1 100.00%	1 0.59	1 0.59				
Orono-Vezie Water District	0 0.00%	0 0.00%	1 100.00%	0 0.00%	0 0	1 0.55				
Houlton Water Company	0 0.00%	0 0.00%	1 100.00%	0 0.00%	1 0.52	1 0.52				
Portland Water District	9 42.86%	0 0.00%	4 19.05%	8 38.10%	31 0.74	21 0.50				
Brunswick & Topsham Water District	0 0.00%	1 50.00%	0 0.00%	1 50.00%	4 0.68	2 0.36				
Brewer Water District	0 0.00%	0 0.00%	1 100.00%	0 0.00%	0 0	1 0.32				
Camden & Rockland Water Company	1 50.00%	0 0.00%	0 0.00%	1 50.00%	2 0.31	2 0.31				
Lewiston Public Works Water Division	1 50.00%	0 0.00%	0 0.00%	1 50.00%	3 0.34	2 0.28				



1990 WATER UTILITY COMPLAINTS  
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COMPANY	SERVICE # / %	MISC. # / %	DISCONNECT # / %	BILLING # / %	# OF COMPLAINTS, COMPLAINTS PER 1000 CUSTOMERS	
					1989 TOTAL	1990 TOTAL
York Water District	1 100.00%	0 0.00%	0 0.00%	0 0.00%	0 0	1 0.24
Biddeford & Saco Water Company	3 100.00%	0 0.00%	0 0.00%	0 0.00%	1 0.08	3 0.24
Auburn Water District	0 0.00%	0 0.00%	1 100.00%	0 0.00%	1 0.17	1 0.17
Bangor Water District	0 0.00%	0 0.00%	1 100.00%	0 0.00%	3 0.33	1 0.11
*Canton Water District	0 0.00%	0 0.00%	0 0.00%	0 0.00%	3 27.27	0 0.00
*Milbridge Water Company	0 0.00%	0 0.00%	0 0.00%	0 0.00%	4 20.31	0 0.00
*Quantabcook Water Company	0 0.00%	0 0.00%	0 0.00%	0 0.00%	2 13.61	0 0.00
*Danforth Water District	0 0.00%	0 0.00%	0 0.00%	0 0.00%	2 12.99	0 0.00
*Lubec Water & Electric District	0 0.00%	0 0.00%	0 0.00%	0 0.00%	3 4.60	0 0.00
*Harrison Water District	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 3.89	0 0.00
*Wilton Water Department	0 0.00%	0 0.00%	0 0.00%	0 0.00%	3 3.49	0 0.00
*Waldoboro Water Company	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 2.76	0 0.00
*Dexter Utility District	0 0.00%	0 0.00%	0 0.00%	0 0.00%	2 2.29	0 0.00
Gardiner Water District	0 0.00%	0 0.00%	0 0.00%	0 0.00%	6 1.94	0 0.00
*Dixfield Water Department	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 1.91	0 0.00
*Mars Hill Utility District	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 1.84	0 0.00
*Guilford-Sangerville Water District	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 1.67	0 0.00



1990 WATER UTILITY COMPLAINTS

COMPANY	SERVICE # / %	MISC. # / %	DISCONNECT # / %	BILLING # / %	# OF COMPLAINTS, COMPLAINTS PER 1000 CUSTOMERS	
					1989 TOTAL	1990 TOTAL
*Milo Water District	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 1.38	0 0.00
Paris Utility District	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 0.95	0 0.00
Madawaska Water District	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 0.90	0 0.00
Presque Isle Water District	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 0.86	0 0.00
Calais Water Company	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 0.86	0 0.00
Hampden Water District	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 0.74	0 0.00
York Water District	0 0.00%	0 0.00%	0 0.00%	0 0.00%	3 0.70	0 0.00
Bath Water District	0 0.00%	0 0.00%	0 0.00%	0 0.00%	2 0.60	0 0.00
Augusta Water District	0 0.00%	0 0.00%	0 0.00%	0 0.00%	3 0.55	0 0.00
Boothbay Harbor Water District	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 0.48	0 0.00
**New Portland Water District	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 ----	0 0.00
1989 Total All Companies	49 54.44%	4 4.44%	15 16.67%	22 24.44%	125	90

NOTE: COMPANIES ARE ARRANGED IN ORDER OF THE HIGHEST # OF COMPLAINTS PER 1000 CUSTOMERS. FOR COMPANIES WITH LESS THAN 1000 CUSTOMERS, THE COMPLAINTS PER 1000 CUSTOMERS FIGURE WAS CALCULATED AS IF THE UTILITY HAD 1000 CUSTOMERS. THIS FIGURE IS FOR COMPARATIVE PURPOSES ONLY.

\* COMPANIES WITH LESS THAN 1000 CUSTOMERS.

\*\* UNDER 100 CUSTOMERS (NO COMPLAINT RATIO CALCULATED)





Other Partially  
Regulated Utilities

The CAD received 7 complaints concerning unregulated/partially regulated utilities. All of these complaints were related to telecommunications issues:

AT&T	3
MCI	4

There was a decrease of 21 complaints in this category compared to last year. The dramatic reduction was due to a reduction in the number of complaints received against Alternative Operator Service (AOS) companies. Complaints against AT&T also went down significantly, dropping by 11 from last year. However, this number does not include any of the customer complaints received where payment arrangements were negotiated with NET regarding AT&T charges for long distance calls. MCI's complaints increased by 1 over last year, and the CAD received no complaints against Sprint this year. Last year, the CAD received 5 complaints against Sprint.

All four MCI complaints involved "slamming" in which the customer alleged that their long distance company was switched to MCI without their permission. There were 10 more slamming complaints pending at year-end, most against MCI.

4. Municipal Water  
Departments and  
Quasi-Municipal  
Water District  
Reserve Funds

In February 1986, the Joint Standing Committee on Utilities requested that the Commission include in its Annual Report information on water districts' accumulation of funds in their contingency reserves, the disposition of such funds and the existence and disposition of any "excessive" amounts in such reserves. In 1987 and 1988, the Commission adopted a new rule (Chapter 670) governing contingency funds and a new system of accounts, which determine what level of reserves a district may hold. Funds (that are not excessive) accumulating in the districts' contingency reserve are generally invested into the districts' assets. During 1990, it was determined that 32 districts had "excessive" amounts in their contingency reserves. The new rule requires these districts to set new rates based upon a revenue requirement without a contingency allowance (reduce rates) or file for a waiver. Thirteen districts were granted waivers, two were ordered to reduce rates and one is pending. Sixteen experienced losses in 1989 and did not need to apply for a waiver.

The Commission granted waivers under the following circumstances: 1) when a district submitted a revenue requirement which supported current rates without increasing the contingency reserve; and, 2) when a district had a construction program in progress that would require a rate increase within the next year.

## V. YEAR IN REVIEW

### CMP Rates/Rate Design

On May 19, 1989, Central Maine Power Company (CMP) filed a request to increase rates and change its "rate design", which determines how it prices electricity sold to each class of customer. The revenue requirement portion of the case was settled in December, 1989. The rate design portion of the case continued into 1990 and was deliberated by the Commission in November, 1990. The most significant decision by the Commission in the rate design portion of the case was to adopt an innovative proposal by the Staff to use marginal costs, rather than embedded costs, as the basis for determining customer class revenue responsibilities. Embedded costs are the actual accounting costs incurred during some historic period by the utility to provide electric service. Marginal costs are the costs the utility will incur to provide additional units of electric service to each of the classes. The Commission's tentative decision (2-1) (Harrington, dissenting) will be ground breaking in that, in the past, class revenue responsibilities were determined using embedded costs. Most other jurisdictions continue to use embedded costs. The Commission's decision to use marginal costs was based on the grounds of stability, efficiency, equity, and simplicity. In addition, the Commission decided a number of specific rate design issues, including: denial of a proposal to implement a low-income rate, approval of a proposal to seasonally differentiate Residential Rate A, and approval of a proposal to increase the Residential time-of-use on-peak/off-peak rate differential.

On May 29, 1990, CMP filed a request to increase its base rates to produce an additional \$64.5 million in gross revenues. On December 20, 1990, the Commission approved an interim increase

of approximately \$10 million. The case will be decided on or before February 28, 1991.

Bangor Hydro-Electric  
Company Rate Case

Bangor Hydro-Electric Company filed with the Commission on March 9, 1990 a proposed increase in rates designed to increase its gross revenues by \$8,811,080 or 7.3%. On September 10, 1990, after conducting extensive hearings in the spring and summer, the Staff, Bangor Hydro, and the Office of the Public Advocate filed a Stipulation with the Commission which would allow the Company to increase its base rates by \$1.6 million. The Stipulation also called for the opening of a Commission investigation in order to determine whether or not a negative cost of equity adjustment similar to the Commission's 25 basis point adjustment in the last rate investigation should be continued or any other revenue requirements should be imposed for the Company's performance, policies and management practices in the areas of demand side management and integrated least cost planning. The Commission approved the Stipulation on September 17, 1990. The order initiating the investigation was issued on November 27, 1990.

Bangor Hydro  
Dam Projects

On November 22, 1989, Bangor Hydro-Electric Company filed petitions for certificates of public convenience and necessity to construct a new dam and powerhouse on the Penobscot River, generally referred to as the Basin Mills Project, and to upgrade two existing dams known as the Milford and Veazie Projects. On July 5, 1990, the staff, after two weeks of hearings, moved to dismiss the Basin Mills and Veazie Projects on the grounds that the petitions were premature, and that, among other things, the Company had failed to adequately evaluate alternative demand side management

sources. On August 17, 1990, the Commission granted the staff's motion stating that the petitions for approval for these projects were premature and that "BHE's resource planning has been deficient and that Bangor Hydro has not adequately allowed alternative projects to compete with the proposed projects and that the company also has not pursued its required least cost plan in the areas of conservation and demand side management..." The Commission's decision was without prejudice, and Bangor Hydro is free to resubmit the proposals at any time, taking into account the directives of the Commission. Bangor Hydro has appealed the Commission's decision to the Maine Supreme Court. The Milford Project was approved later in 1990 after parties stipulated that Milford would likely be a needed resource under any economically optimal resource plan.

Incentive Ratemaking  
(Electric)

The Commission promulgated Chapter 382 of its rules to provide a mechanism to remove or mitigate disincentives for the acquisition of cost effective conservation, demand management, and supply side options which are consistent with least cost planning principles. The purpose of the rule was to encourage electric utilities and other interested persons to file proposals which would provide a framework for Commission review of ratemaking, accounting, or conservation cost recovery mechanisms designed to reconcile utility profitability with least cost planning.

On December 10, 1990, Central Maine Power Company filed an incentive proposal intended to accomplish the following four goals:

- (1) Decouple sales level from profit;
- (2) substantially reduce the likelihood of a rate case for three years on the

theory that regulatory lag will provide an incentive for efficient behavior;

- (3) set up targeted incentive mechanisms for certain specific aspects of performance. Examples include the goals of reducing customer outage hours, increasing energy efficiency of generators, and obtaining cost effective demand side management; and
- (4) rely on certain override and accrual mechanisms which (a) increase the likelihood that the scheme is sustainable, and (b) make it very likely that CMP will come close to actually earning its allowed return.

Central Maine Power Company's proposal may be reviewed in the context of the current rate case and/or dealt with in the separate docket.

On August 15, 1989, Bangor Hydro-Electric Company filed a Chapter 382 incentive proposal. Bangor Hydro proposes its demand side management services be restructured so they will be sold to its customers rather than bought from them. The specific elements of Bangor Hydro's proposal are as follows:

- (1) Allow utilities to purchase and install cost effective demand side management measures and simultaneously sell demand side management service at a price which is equal to or lower than the customer's avoided energy rate;
- (2) allocate a share of the savings from the cost effective demand side management purchases or installations on qualifying facility purchases to accrue to utility shareholders; and
- (3) restructure rates for energy service such that customer's cost for incremental consumption and

conservation for energy service is approximately equal to the utilities long run marginal cost.

On January 2, 1991, the Commission opened a formal investigation for the purpose of examining and implementing an incentive program for Bangor Hydro-Electric Company that is consistent with Chapter 382 and promotes the goals of least cost planning. A schedule for the processing of this investigation will be established at a later date.

### Conservation

This section reviews the efforts of Maine electric utilities and their regulators during the past year to foster energy conservation and load management.

Maine Commission rules allow utilities a great deal of freedom in the planning and design of programs designed to increase the efficiency with which their customers use energy. When an energy conservation or load management program costs less than equivalent power generation or purchases, utilities may undertake such a program without prior Commission approval, provided it does not result in a significant adverse rate impact.

The policy initiatives discussed in our annual report for 1989 began to bear fruit in 1990. In a 1989 policy statement accompanying the adoption of new filing requirements, the Commission told electric utilities that the cost of proposed additions to utility power supply should be compared with the cost of alternative, non-utility sources, as could be revealed by solicitation of competing bids. Central Maine Power Company was awarded a performance bonus for their success in the solicitation of conservation resources in their "Power Partners" pilot program. In 1990 Central Maine Power petitioned to change



this program from an experimental pilot program to a full scale energy management program. The 1990 Power Partners program was responsible for nearly one half of the conservation sponsored by Central Maine Power Company. In 1990 Bangor Hydro-Electric Company also issued its first solicitation for conservation resources. The bids from this solicitation are still under review by the utility.

As part of an agreement made in a 1989 transmission proceeding, Central Maine Power Company in 1990 became one of the first utilities in the country to examine the use of cost effective load management to substitute for or delay the need for new transmission facilities. The company has hired a contractor with a nationally recognized reputation for success in this new approach to transmission and distribution planning..

When the electric utility industry was young, utilities served as the retail source for electrical appliances and lights. This year, in a novel return to this mode of operation, Maine Public Service Company began serving as a retail outlet for compact fluorescent light bulbs. The utility is trying this approach to familiarize their customers with the bulbs and provide them with a source for them. Although the lights have the potential to reduce operating costs by as much as 75%, their high initial cost dissuades traditional retailers from offering them.

Conservation programs offered by Maine electric utilities in 1990 provided direct benefits to approximately ten percent of all residential, commercial, and industrial ratepayers. The indirect benefits of reduced operating costs and delayed purchases were experienced by all ratepayers.

Environmental  
Externalities

In 1990, the Legislature directed the Commission to analyze "the extent to which the environmental and economic impacts of alternative energy resource plans should be included in the electric energy planning process ....". The report must identify and describe any deficiencies in the current process, analyze alternative approaches such as those used in other states, and recommend whether or not to develop a specific plan for Maine.

During the summer of 1990, an outline and partial first draft of the report was circulated to interested parties whose comments were solicited, both at an informal hearing and in writing. The Commission is monitoring developments in other states, such as New York and Massachusetts. It is also actively exploring with nearby states the possible advantages of a coordinated regional approach to utility consideration of externalities. Such an approach could confer benefits where the external costs (and benefits) of alternative energy sources are regional in nature.

The Commission anticipates circulating a draft report to interested parties, and, after making necessary modifications, submitting the final report to the Utilities Committee by April 1, 1991.

Nuclear Decommissioning  
Financing Act

In 1982 the Legislature enacted the Nuclear Decommissioning Financing Act, now codified in 35-A M.R.S.A. §§ 4351-4359. This law requires the Maine Yankee Atomic Power Plant in Wiscasset to file a Decommissioning Financing Plan with the Public Utilities Commission and directs the Commission to accept or modify the plan. In approving the final plan, the Commission establishes a cost of decommissioning and a schedule of monthly payments into a decommissioning trust fund.

The Commission approved a decommissioning plan for Maine Yankee in February of 1990. The Commission's estimated cost of decommissioning was slightly higher than the amount proposed by Maine Yankee (\$178 million vs. \$167 million). The amount proposed by Maine Yankee was the amount reflected in Maine Yankee's rates as set by the Federal Energy Regulatory Commission. Because the amount ordered by the Commission produced monthly payments higher than the amount collected in Maine Yankee's rates, Maine Yankee appealed the Commission order to the Maine Supreme Court on the grounds that Maine law was preempted by the Federal Government. The Maine Supreme Court issued its decision in October 1990 and found the Commission order was preempted by the United States Constitution. This means the most important provisions of Maine's Nuclear Decommissioning Financing Act have been voided, namely the ability of the State of Maine to estimate the decommissioning cost of Maine Yankee and assure that that amount of money will be available in the trust fund when the clean up at Wiscasset, Maine must take place. The Commission has appealed the decision of the Maine Supreme Court to the United States Supreme Court.

Northeast Utilities/  
Public Service Company  
of New Hampshire Merger

In January 1990, Northeast Utilities ("NU"), the largest electric utility in New England, filed for Federal Energy Regulatory Commission (FERC) approval to merge with Public Service Company of New Hampshire ("PSNH"), New Hampshire's largest electric utility. PSNH is currently in bankruptcy due to its investment in the Seabrook Nuclear Power Plant. As part of the resolution of the bankruptcy, NU proposes to acquire PSNH and operate it as a separate subsidiary. The Maine Commission, the commissions in all the other New England states and approximately 30 other parties

intervened in the FERC proceeding. These other parties include Maine's three major electric utilities, most of the other electric utilities in the region, and independent power producers.

The proposed merger of NU and PSNH is of great concern to the Commission. The acquisition of PSNH will greatly concentrate in NU ownership of much of the excess generating and transmission capacity in New England. This ownership could allow NU to restrict competition in the purchase and sale of bulk power, thus raising the cost of electricity to Maine ratepayers. The combination of NU and PSNH would also increase NU's influence over the activities and operation of New England Power Pool (NEPOOL).

The Commission has been an active party in the FERC proceeding, sponsoring several witnesses. The Commission's position has been that the merger must be conditioned so as to avoid the market concentration and anticompetitive effects of the merger. The Commission has worked closely with representatives of Massachusetts, Vermont and Rhode Island. These states, like Maine, would all be negatively affected by an unconditioned merger of the two utilities.

The initial decision of the Administrative Law Judge was issued on December 20, 1990, and a FERC decision is due early in 1991.

Relay Services for  
the Deaf, Hearing  
Impaired and Speech  
Impaired

In 1990, the Legislature determined that Maine should have a 24-hour state-wide dual party relay service ("DPRS") in place by January 1, 1991. DPRS allows deaf and hearing persons to communicate with one another through the use of teletypewriters and specially trained telephone operators. The Legislation provided that the costs for the DPRS

would be paid by telephone ratepayers and directed the Commission to oversee the implementation of the DPRS. It also created an Advisory Council to provide input on the implementation and quality of the DPRS.

From June through November, the Commission considered various DPRS proposals. The Commission held several days of hearings and heard informal presentations on each of the competing DPRS proposals. The Commission Staff, the Public Advocate and the Advisory Council analyzed the competing proposals and made recommendations to the Commission. Ultimately, the Commission decided that AT&T should provide DPRS in Maine.

Maine's continuous, statewide DPRS went on line in late December. The ceremonial inaugural call through the Maine Service was placed by Governor McKernan to Bill Nye, Chair of the Advisory Council, on January 9, 1991.

#### Contel Rate Case

On March 6, 1990, the Commission initiated a formal investigation of Contel of Maine, Inc.'s (Contel) current rates after a summary investigation indicated Contel's current rates may have been exceeding those which would result in a just and reasonable rate of return. On November 29, 1990 and December 4, 1990, a Stipulation and Supplemental Stipulation were filed by the parties to this proceeding. Citing disagreement with the rate design changes used by the parties to implement the stipulated revenue reduction, the Commission rejected both stipulations on December 10, 1990. On December 17, 1990 a revised Stipulation was filed. The Commission's Order accepting the Stipulation called for a reduction in Contel's revenue requirement of \$1,173,468, established Contel's rate of return at 9.76% and a return on equity

at 12.25%, and established depreciation rates resulting in a composite depreciation rate of 8.5%. Finally, in implementing the revenue reduction, all mileage, zone charges and touch calling charges were eliminated.

Incentive Ratemaking  
(Telephone)

The Commission on November 28, 1989 initiated a proceeding to inquire into the concept of alternative forms of regulation of telephone utilities, including incentive regulation. In its notice of initiation of inquiry, the Commission invited interested parties to submit written comments on the efficacy of continued rate base regulation and on various forms of alternative or incentive regulation for the Commission's consideration. The Commission also asked the parties to address the question of the Commission's statutory authority to implement any alternative to rate of return regulation.

Comments were filed by numerous parties during the first half of 1990, and the Commission staff filed its comments with concerns and recommendations in August. The Commission is currently considering how to proceed in this matter.

Competition  
(Telecommunications)

On October 4, 1989, the Commission authorized the first competitive provider applying under the Competition Rule. AT&T received Commission approval to provide Federal Telecommunications System 2000 (FTS 2000) service to the United States General Services Administration (GSA) on an incidental basis within the State of Maine. When it provides this service, AT&T will pay access charges to local telephone companies as provided in the Competition Rule. Similar authority was authorized for U.S. Sprint on January 16, 1990. During 1990, U.S. Sprint was also granted authority to be a full service

interexchange carrier and has filed schedules offering a broad range of services in Maine.

In addition, AT&T has made application to expand its authority to offer FTS 2000 to include its Software Defined Network Service. This will be available to all Maine users and not just the federal government.

Although MCI Telecommunications advised the staff in 1989 that it would apply shortly for authority to operate in Maine providing general long distance service within the State, it has not yet applied for that authority.

#### Extended Area Service

Extended Area Service, or "EAS," is a telephone rate design feature which expands a customer's local calling area or ability to make toll free calls. Sometimes termed Extended Local Service, this feature is available in most telephone exchanges in Maine. EAS has been the subject of controversy since the mid-1970's. Until 1988, the Commission responded to petitions to provide or expand EAS by conducting surveys of customers in affected exchanges.

In April of 1988, the Commission opened Docket No. 88-4, an investigation into the structure of basic calling areas and the current status and future viability of EAS. In the notice of investigation, the Commission stated, "While this investigation is pending, the Commission will not allow additional EAS routes to be implemented. This moratorium ... includes any requests for EAS routes which may be filed between now and the conclusion of this investigation." As part of this proceeding, in October 1990, the Commission approved new optional calling plan trials to be conducted in selected exchanges throughout the state. These plans will

be implemented soon in Raymond, Old Orchard Beach, Morrill, Freedom, Warren, Stockton Springs, Jonesboro, Machias, Pembroke, Eastport, and Lubec for one-year trials. The Commission will be tracking the progress of the trials and analyzing other possible solutions during the next year.

Deregulation of Mobile  
Telecommunications  
Services

The Federal Communications Commission (FCC) has established licensing schemes for mobile telecommunications services such as cellular which are not based on traditional monopoly structures, but rather allow or encourage competition. For example, two cellular telephone providers are enfranchised to operate in each FCC-determined market area in the country. They, in turn, compete both with other radio services as well as traditional telephone service.

Given these Federal initiatives, the Commission believes that its current framework for regulating price and service of mobile telecommunications services is not necessary. It further believes the current regulatory framework imposes unnecessary costs and burdens on both the Commission and the providers of these services. Finally, it has concluded that the using and consuming public will not be injured, but may indeed benefit by the deregulation of mobile telecommunications services.

In this regard, the Commission has proposed legislation to deregulate mobile services. The Commission legislation creates a definition of "mobile telecommunications services" which includes cellular, 2-way mobile, air-to-ground, marine and other radio common carrier services. It then amends the definition of "public utility" to exclude entities providing mobile telecommunications services, thereby deregulating the provision of those



services. The bill also requires that public utilities which also provide mobile telecommunications services keep separate accounts for the different services, assuring that joint and common costs are properly allocated in order to minimize any improper cross-subsidization.

### 1-900 Service

"1-900 Services" enable various businesses to create and market information services to consumers through the telephone network. These services, which can provide information orally or through a computer connection can provide weather, stock reports, sports scores or other general information. In some circumstances, the information content can be controversial.

1-900 Services, requiring a caller to dial "1-900" plus a 7-digit number, are provided on an interstate basis and are approved by the Federal Communications Commission ("FCC"). Similar intrastate parallel services which would require approval of the Commission are not yet operating in Maine.

Access to these services can, in many areas of Maine, be "blocked" so that a telephone line is denied access to them. NET and two independent telephone companies have requested authority to offer 1-900 blocking. A decision on these requests is expected by the end of January 1991.

On October 23, 1990 the CAD issued a Bulletin to all telephone utilities advising them that unpaid 1-900 calls should not be included on disconnection notices. The Staff determined, pursuant to Chapter 810 of the Commission's Rules, that 1-900 calls were "non-basic utility service". This means a telephone company cannot disconnect a customer's local telephone service for

failure to pay 1-900 calls. All telephone utilities are in the process of implementing this directive.

"Caller I.D."

"Caller I.D." is one of several relatively new services made possible by the installation of a new telephone technology, "CCS7," throughout the country. In Maine, CCS7 is being installed in many areas of the state. These services, collectively known as Custom Local Area Signaling Service ("CLASS"), allow customer control over some features of the telephone network. In 1990, New England Telephone received Commission approval to offer four "PHONESMART" Services on a one-year trial basis ending October 31, 1991. Two of these services allow automatic redialing of the most recent outgoing call placed ("Repeat Dialing"), or automatic return of the most recent incoming call ("Call Return"). Another service allows a customer to order a trace of the most recent incoming call ("Call Trace").

A fourth service provides the originating telephone number, date and time of an incoming call, to be displayed on a device attached to the customer's telephone. This service is known as "Caller I.D." Some parties have raised privacy concerns and argued the service may be illegal under the Federal Electronic Communications Privacy Act of 1986. In its approval of NET's market trial for this service, the Commission stated "it appears that [this federal law] could be interpreted to prohibit persons ... from attaching Caller I.D. equipment to their own telephones. Whether or not a court would construe the statute in this manner is unclear .... Further, we believe that it is highly unlikely that the federal government would prosecute an individual who subscribed to the Caller I.D. service. We will ... keep

the docket open during the pendency of the trial to receive any new evidence on the legality issue." The Commission also required NET to file quarterly reports covering each three month period of the trial, with the first report due February 28, 1991.

#### Consumer Assistance

Winter Disconnection Rule. In 1990 the Commission considered a partial exemption to the Winter Disconnection Rule for the three largest electric utilities: Central Maine Power Co., Bangor Hydro-Electric Co. and Maine Public Service Co. While each Company's proposal differed, all three requested an exemption to disconnect certain residential customers during the winter period (November 15 through April 15) without prior approval of the Commission's Consumer Assistance Division. The exemptions were sought to make the Company's credit and collection programs more efficient; to create the "crisis" necessary to trigger financial assistance at an earlier stage than is possible under the current Winter Rule; and to determine whether customers can in fact obtain more financial assistance than is now possible under the current Winter Rule. The Commission initially approved all three exemptions based on alternative procedures each Company proposed to follow that encouraged customer contact without diminishing the safeguards of the existing Rule. In December, the Commission revoked CMP's exemption finding that CMP was essentially improvising its winter disconnection program by making substantial modifications during the winter period and that CMP was unwilling to renegotiate payment arrangements with its low-income residential customers. The Commission left the exemptions for BHE and MPS intact and ordered both companies to file reports in 1991 which report and analyze the results of their programs.

Low Income Rate Programs. Both Central Maine Power Co. and Bangor Hydro-Electric Co. accompanied their requests for exemption from the Winter Disconnection Rule with pilot low income bill payment assistance programs. Both programs would have allowed for some form of ratepayer funding for low income customers. The Commission declined to approve these programs in 2-1 decisions (Harrington, dissenting), stating that "proposals which call for redistribution of income and involve what is in effect taxation are in general best left to the legislative process." The CMP decision also pointed out that the fairness of the proposed scheme was questionable because it was targeted to electric heat customers only and those who heat with oil would receive no benefits.

Innovative Telephone Programs. In 1990, the Commission approved requests for innovative credit and collection programs for both Somerset Telephone Co. and Community Services Telephone Co. Both telephone utilities requested permission to test the use of mandatory toll blocking for customers who had repeatedly broken payment arrangements. The purpose of these pilot projects is to create an alternative to total disconnection of telephone service when a customer demonstrates an inability to keep the terms of a reasonable payment arrangement. The imposition of toll blocks will allow a customer to make local calls and reach local emergency services.

CAD Complaint Procedures. In mid-1990 the CAD implemented an on-line complaint handling system that will allow a more efficient access to our complaint data base. All inquiries and complaints are logged on the on-line system by the CAD's full-time intake office. Complaint Specialists also record key information about the customer's

complaint and disposition when a case is closed. This new system will allow the CAD to more easily generate utility-specific reports on generic trends and assist in the analysis of a utility's credit and collection programs.

## VI. CONCLUSION

In this report we have provided to the Legislature detailed information pertaining to the activities of the Maine Public Utilities Commission over the past year. In Section III, the Commission has fulfilled its statutory reporting requirements under 35-A M.R.S.A. §§ 120 and 4358. In Chapter IV, the Commission has fulfilled its commitments to provide certain additional information to the Utilities Committee.

The Commission continues to work closely with the Legislature on issues affecting the Public Utilities Commission and Maine ratepayers, and is prepared to provide any additional information on request.