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# MAINE PUBLIC UTILITIES COMMISSION

## ANNUAL REPORT

February 1, 1993

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## TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION .....	1
II. PURPOSE AND ORGANIZATION .....	2
III. FISCAL INFORMATION .....	7
IV. CASE STATISTICS AND OTHER ACTIVITIES .....	15
V. YEAR IN REVIEW .....	71
VI. CONCLUSION .....	91



# EXHIBITS

	<u>Page(s)</u>
EXHIBIT A - PUC FUND ACTIVITY .....	11
EXHIBIT B - FY 93 BUDGET AND ADJUSTMENTS .....	12
EXHIBIT C - PUC BUDGET IN PERSPECTIVE .....	13
EXHIBIT D - ASSESSMENT DETAIL .....	14
EXHIBIT E - CASE SUMMARY .....	21 & 22
EXHIBIT F - 1992 CASES DOCKETED .....	23
EXHIBIT G - GENERAL RATE CASES FOR COMMUNICATIONS UTILITIES .....	24
EXHIBIT H - GENERAL RATE CASES FOR ELECTRIC UTILITIES .....	25
EXHIBIT I - FUEL COST ELECTRIC/GAS .....	26
EXHIBIT J - § 6104 RATE PROCEEDINGS MUNICIPAL AND QUASI-MUNICIPAL .	27
EXHIBIT K - WATER UTILITY GENERAL RATE CASES .....	28
EXHIBIT L - HEARINGS HELD IN 1992 .....	29
EXHIBIT CAD1 - COMPLAINTS/CONTACTS 1980-1992 .....	32
EXHIBIT CAD2 - GRAPH/CAD CONTACTS 1988-1992 .....	33
EXHIBIT CAD3 - CUSTOMER CHARGES ADJUSTED/WAIVED .....	35
EXHIBIT CAD4 - VIOLATIONS .....	37
EXHIBIT CAD5 - UTILITY WINTER WAIVER REQUESTS TO DISCONNECT .....	39
EXHIBIT CAD6 - GRAPH/PERCENTAGE OF CLOSED COMPLAINTS BY UTILITY TYPE .....	42
EXHIBIT CAD7 - GRAPH/CLOSED COMPLAINTS 1988-1992 .....	43
EXHIBIT CAD8 - COMPLAINT CODES .....	44 & 45
EXHIBIT CAD9 - SUMMARY OF COMPLAINTS CLOSED .....	46 & 47
EXHIBIT CAD10 - GRAPH/MAJOR ELECTRIC COMPANIES COMPLAINT RATIO COMPARISON .....	50
EXHIBIT CAD11 - GRAPH/CENTRAL MAINE POWER COMPLAINT PERCENTAGES ..	51
EXHIBIT CAD12 - GRAPH/BANGOR HYDRO-ELECTRIC COMPLAINT PERCENTAGES	52
EXHIBIT CAD13 - GRAPH/CENTRAL MAINE POWER CLOSED COMPLAINTS .....	53
EXHIBIT CAD14 - GRAPH/BANGOR HYDRO-ELECTRIC CLOSED COMPLAINTS ....	54
EXHIBIT CAD15 - 1992 ELECTRIC COMPLAINTS CLOSED .....	55
EXHIBIT CAD16 - GRAPH/COMPARISON OF MAJOR TELEPHONE UTILITIES ....	58
EXHIBIT CAD17 - GRAPH/NEW ENGLAND TELEPHONE COMPLAINT PERCENTAGES	59
EXHIBIT CAD18 - GRAPH/NEW ENGLAND TELEPHONE CLOSED COMPLAINTS ....	60
EXHIBIT CAD19 - 1992 TELEPHONE COMPLAINTS CLOSED .....	61 & 62
EXHIBIT CAD20 - 1992 GAS COMPLAINTS CLOSED .....	64
EXHIBIT CAD21 - 1992 WATER COMPLAINTS CLOSED .....	66 - 69



## 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.

Finally, 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 155 water utilities, 13 electric utilities, 10 water carriers, 1 gas utility, 19 telephone utilities, approximately 450 COCOTs, and 5 interexchange carriers. These utilities had total revenues in 1992 of more than \$1.37 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

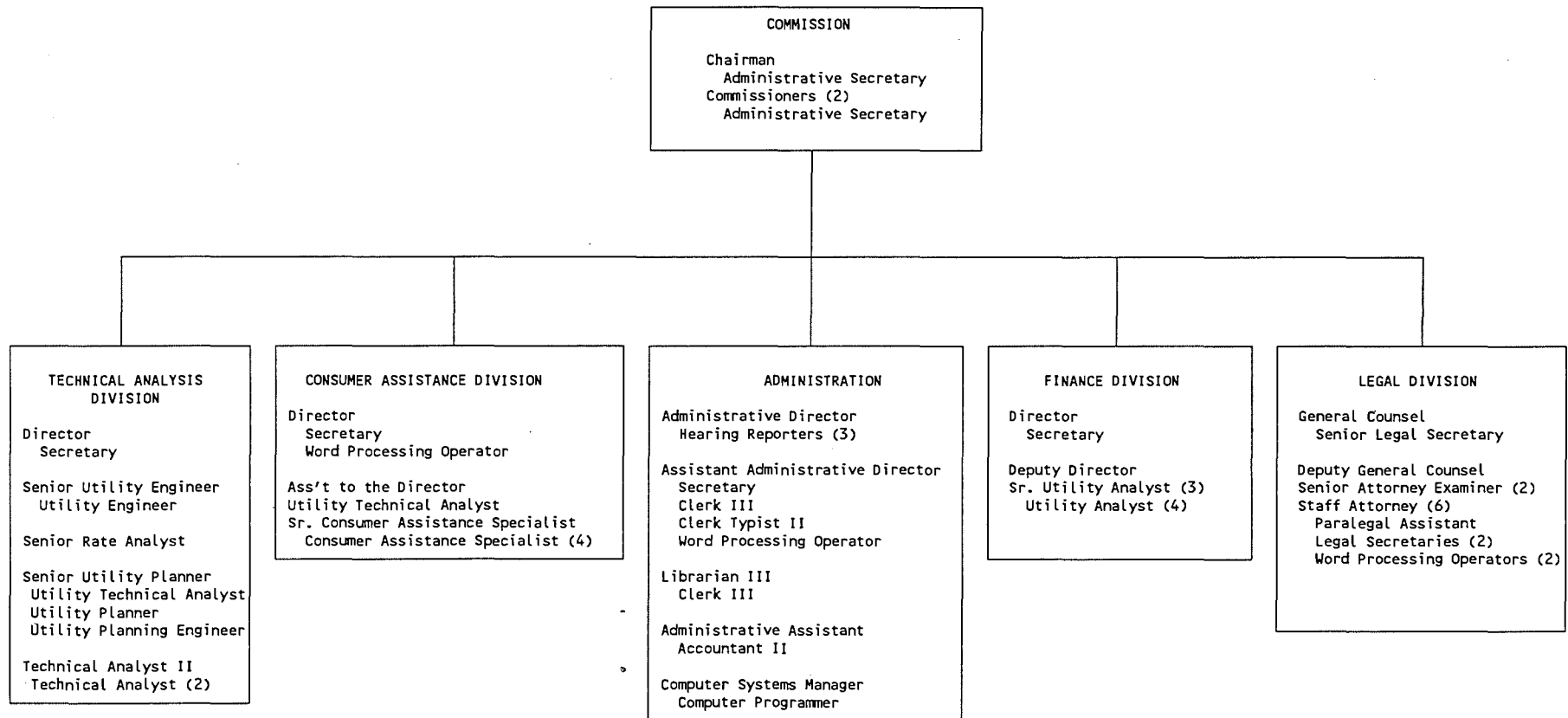
The Legal Division represents the Commission before federal and state appellate and trial courts and agencies. It provides examiners and legal advocates in cases before the Commission and assists in preparing and presenting Commission views on Legislative proposals. Examiners preside over Commission 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. This section of the report fulfills these statutory requirements and provides additional information regarding the Commission's budget.

The Commission had one major source of funding in FY 92, a Regulatory Fund of \$4,473,000. 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 4 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 92.

1. Fiscal Year 92

In FY 92, the Commission expended approximately \$3.7 million regulating more than 200 utilities with gross revenues exceeding \$1.48 billion. Exhibit A summarizes Regulatory Fund activity and activity in other funds administered by the Commission. Exhibit C details FY 92 expenditures by line category.

Regulatory Fund

The authorized Regulatory Fund assessment for FY 92 was \$4,473,000. The actual amount billed to utilities was reduced by \$25,338, including a refund of \$5,045 to telecommunications companies, \$1,101 refunded from the Facilities Fund, and a \$19,192 unencumbered balance brought forward from FY 90.<sup>1</sup> The assessment was further reduced by \$187,677 available due to furlough days that offset the projected 7% cost of living increase. In addition to the assessment, an unencumbered balance of \$601,914 and encumbrances of \$58,020 were brought forward from FY 91. \$3,746,494 was expended. Details of these expenditures are presented in Exhibit C. An encumbered balance of \$248,574 and an unencumbered balance of \$914,710 were brought forward to FY 93. The encumbered balances generally represent ongoing contracts for consulting services.

Decommissioning  
Fund

This account was closed in FY 86. There was no activity during FY 92.

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

Filing Fees

In FY 92, the Commission granted requests to waive filing fees by Maine Electric Power Company (MEPCO) in Docket No. 92-049 (which addressed the MEPCO-MPS contract) and by Maine Public Service (MPS) in Docket No. 92-060 (which addressed the MPS-New Brunswick Power Authority (NBPA) contract).

Miscellaneous Reimbursements

Miscellaneous reimbursements consist of funds received for copies of documents such as monthly dockets, agenda and decisions and for other miscellaneous items. \$153 was brought forward from FY 91. An additional \$7,544 was received during FY 92. \$7,028 was expended, and an unencumbered balance of \$669 was brought forward to be expended during FY 93. In FY 92, no fines were collected by the Commission.

2. Fiscal Year 93

Exhibit B details the Commission's FY 93 Regulatory Fund budget. Encumbered balances brought forward from FY 92 are included. The right hand column represents the total funds available to the Commission in FY 93 by account and line category.

3. The Budget in Perspective

Exhibit C details the Commission's Regulatory Fund budget for a four-year period. The left hand column includes amounts actually expended in FY 92. Column 2 contains FY 93's expenditure plan. Columns three and four contain the FY 94 and FY 95 Budget request.

4. The Regulatory Fund Assessment in Perspective

Exhibit D 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.

5. 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.

No audits were initiated during FY 92.

EXHIBIT A

PUC FUND ACTIVITY BY ACCOUNT FOR FY 1992

<u>ACCOUNT NAME</u>	<u>AMOUNT</u>
---------------------	---------------

REGULATORY FUND

UNENCUMBERED BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR	601,914
ENCUMBERED BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR	58,020
FUNDS RECEIVED	4,259,985
LESS EXPENDED	3,746,494
LESS HEALTH COST TRANSFERRED TO GENERAL FUND	10,141
ENCUMBERED BALANCE BROUGHT FORWARD TO FY 92	248,574
UNENCUMBERED BALANCE BROUGHT FORWARD TO FY 92	914,710

REIMBURSEMENT FUND

**FILING FEES**

UNENCUMBERED BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR	0
ENCUMBERANCES BROUGHT FORWARD FROM PREVIOUS YEAR	0
FUNDS RECEIVED	0

**MISC. REIMBURSEMENTS**

UNENCUMBERED BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR	153
FUNDS RECEIVED	7,544
LESS EXPENDED	7,028
UNENCUMBERED BALANCE BROUGHT FORWARD TO FY 92	669



FY 93 BUDGET & ADJUSTMENTS

	BUDGET	ADJUSTMT	BUDGET REDUCTION	ADJUSTED BUDGET
<u>REGULATORY FUND</u>				
POSITIONS	(70)	(0)	(0)	(70)
PERSONAL SERVICES	\$3,403,668	\$ 0	\$(162,883) <sup>1</sup>	\$3,240,785
CONSULTING	285,050	238,776 <sup>2</sup>	0	523,826
ALL OTHER	581,308	924,508 <sup>3</sup>	0	1,505,816
CAPITAL	<u>21,969</u>	<u>0</u>	<u>0</u>	<u>21,969</u>
TOTAL	\$4,291,995	\$1,163,284	\$(162,883)	\$5,292,396
CAPITAL	\$ 0	\$ 0	\$ 0	\$ 0
<u>REIMBURSEMENT FUND</u>				
FILING FEES	\$ 0	\$ 0	\$ 0	\$ 0
MISC. REIMBURSEMENT	\$ 0	\$ 1,340 <sup>4</sup>	\$ 0	\$ 1,340
GRAND TOTAL	<u>\$4,291,995</u>	<u>\$1,164,624</u>	<u>\$(162,883)</u>	<u>\$5,293,736</u>

<sup>1</sup> TRANSFERRED TO THE STATE GENERAL FUND BY ORDER OF THE GOVERNOR AND THE LEGISLATURE;  
\$71,717 (39 HOUR WORK WEEK); \$36,165 (REDUCTION FOR CONFIDENTIAL EMPLOYEES  
EARNING IN EXCESS OF \$50,000); \$55,000 (BUDGET OVERESTIMATE OF HEALTH COSTS).

<sup>2</sup> ENCUMBERED BALANCE OF \$238,776 BROUGHT FORWARD TO FY 1993 FOR CONSULTING PURPOSES.

<sup>3</sup> ALL OTHER INCREASED BY AN UNENCUMBERED BALANCE FORWARD OF \$914,710.  
ALL OTHER INCREASED BY AN ENCUMBERED BALANCE FORWARD OF \$9,798.

<sup>4</sup> UNENCUMBERED BALANCE BROUGHT FORWARD TO FY 1993.



PUC BUDGET IN PERSPECTIVE

	FY92 EXPENDED	FY93 WORKPLAN	FY94 BUDGET	FY95 BUDGET
REGULATORY FUND				
-----				
POSITIONS	(70)	(70)	(70)	(70)
PERSONAL SERVICES	3,086,493	3,240,785 <sup>1</sup>	3,718,178	3713456
CONSULTANTS	142,103	523,826 <sup>2</sup>	252,000	252000
ALL OTHER	511,956	1,505,816 <sup>3</sup>	595,931	606825
CAPITAL	5,942	21,969	9,192	17917
-----				
TOTAL	3,746,494	5,292,396	4,575,301	4,590,198
REIMBURSEMENT FUND				
-----				
FILING FEES	0	0	0	0
MISC. REIMBURSEMENT	7,028	1,340	0	0
-----				
TOTAL ALL RESOURCES	3,753,522	5,293,736	4,575,301	4,590,198
=====				

- 1 INCLUDES \$162,882 TRANSFERRED TO THE STATE GENERAL FUND BY ORDER OF THE GOVERNOR AND THE LEGISLATURE; \$71,717 (39 HOUR WORK WEEK); \$36,165 (REDUCTION FOR CONFIDENTIAL EMPLOYEES EARNING IN EXCESS OF \$50,000; \$55,000 (BUDGET OVERESTIMATE OF HEALTH COSTS).
- 2 ENCUMBERED BALANCE OF \$238,776 BROUGHT FORWARD TO FY 93.
- 3 ALL OTHER INCREASED BY AN UNENCUMBERED BALANCE FORWARD OF \$914,710 AND BY AN ENCUMBERED BALANCE FORWARD OF \$9,798.



## 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
FY 1991	03/13/91-04/22/91	837,377,145	349,185,418	52,855,076	21,928,319	1,536,596	1,262,883,554 <sup>1</sup>	.00037058	468,000 (Nearest \$1)	468,000
FY 1992	05/01/91-07/01/91	927,601,155	358,682,900	58,784,656	26,182,164	1,537,296	1,372,788,171 <sup>1</sup>	.002445819	3,352,662 (Nearest \$1) <sup>4</sup>	3,378,000
FY 1992	10/01/91-11/29/91	927,601,155	358,682,900	58,784,656	26,182,164	1,537,296	1,372,788,171 <sup>1</sup>	.00066091172	907,323 (Nearest \$1) <sup>5</sup>	1,095,000
FY 1993	05/01/92-07/01/92	1,052,609,125	343,341,527	64,223,522	24,997,942	1,569,023	1,486,741,139 <sup>1</sup>	.002847710	4,233,807 (Nearest \$1) <sup>6</sup>	4,918,000

<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.

<sup>4</sup> Assessment was reduced by \$25,338. \$5,045 for communications utilities, \$1,101 for Facilities Fund, and \$19,192 from Regulatory Fund balance forward from FY 90.

<sup>5</sup> Assessment was reduced by \$187,677 which was available due to furlough days offsetting projected 7% increase in Personal Services.

<sup>6</sup> Assessment was reduced by \$373,517 available from the balance remaining in FY 91 and 310,676 which was available due to furlough days offsetting projected 7% cost of living increase and to 4% cost of living increase budgeted but not granted.



#### IV. CASE STATISTICS AND OTHER ACTIVITIES

##### 1. Caseload

At the end of calendar year 1991, 169 cases were pending on the Public Utilities Commission Docket. During 1992, 356 new cases were docketed. 85 of the 169 pre-1992 cases and 242 of the 356 new cases were closed during 1992. At the end of 1992, 198 cases remained on the Commission's docket. Thus, in 1992, the Commission closed 327 cases. (See Exhibit E)

Exhibit F breaks down Commission activity in 1992 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 1992.

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

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Note: 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 a 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.
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.

Electric Revenue  
Adjustment Mechanism

Pursuant to Section 3191, investor-owned electric utilities and other interested persons are encouraged to file proposals that remove disincentives to cost effective conservation, demand management or supply side choices.

Authority to Serve  
Casco Bay

Pursuant to Section 5101, et seq. provision of water carrier service in Casco Bay require Commission approval.

2. Rate Case  
Decisions

During calendar year 1992 two general telecommunications utility rate cases were processed (Exhibit G). Also, one electric utility general rate case and two Section 3502 customer-owned electric utility cases were processed (Exhibit H). In addition, twenty-one Section 6104 customer-owned water utility rate cases (Exhibit J) and five general water utility rate cases were processed (Exhibit K).

Exhibit I indicates that the 1992 fuel revenues accounted for approximately \$519 million of approximately \$1,099 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 1990.

Also, referring to Exhibit I, the 1992 Northern Utilities cost of gas accounted for approximately \$15.3 million of \$28 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 L demonstrates this fact. Of 87 days of hearings held by the Commission in 1992, 26 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 Decided 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 Decided 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
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



	<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>
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 12/31/90	32	66	5	27	2	3	19	0	0	154
1991 CASE SUMMARY										
Cases Docketed in 1991	79	163	6	90	11	3	6	3	0	361
Cases Decided in 1991	75	161	7	83	7	4	6	3	0	346
Cases Pending 12/31/91	36	68	4	34	6	2	19	0	0	169
1992 CASE SUMMARY										
Cases Docketed in 1992	100	136	3	93	7	2	12	2	1	356
Cases Decided in 1992	89	131	4	82	10	3	5	2	1	327
Cases Pending 12/31/92	47	73	3	45	3	1	26	0	0	198



## 1992 Cases Docketed

Type	Filings							Totals
	Electric	Gas	Communications	Water	Water Carrier	Others	Comm. Initiated	
Rates - General	3		2	4				9
Rates - Limited	11		89	4	1			105
Terms & Conditions (§ 304)	3		1	12				16
Rates - Water District (§ 6104)				22				22
Rates - Customer-Owned Electric (§ 3502)	1							1
Securities Issues (§ 902)	12		2	20				34
Sell, Lease or Mortgage of Property (§ 1101 <u>et seq.</u> )	2			7				9
Change of Capital (§ 910)	3		1					4
Transport Water, Commercially (22 M.R.S.A. § 2660)								0
Agreements/Contracts (§ 703)	3		2	1				6
Reorganizations/Affiliated Interests (§§ 707 & 708)	2	1	8	2				13
Commission Rulemakings (§ 111)							2	2
Commission Investigations (§ 1303)							12	12
Commission Delegations (§ 107)							2	2
Advisory Rulings (Chapter 110, Part 6)	3		2	4				9
Ten-Person Complaints (§ 1302)	17		3	4				24
System Development Charge (§ 6107)								0
Public Convenience & Necessity (§ 2102 <u>et seq.</u> )			18	1				19
Exemptions/Waivers - Rules/Statutes (Chapters 110 & 120)	10		6	6				22
Cost of Fuel Adjustments (§ 3101)	5							5
Limited Service Agreement (Chapter 620)				6				6
Cost of Gas Adjustments (§ 4703)		2						2
Conservation (§ 3154)	15							15
Construct Transmission Line (§ 3132)	5							5
ERAM Adjustment (§ 3191)	2							2
Authority to Serve Casco Bay (§ 5101)					6			6
Others	<u>3</u>	<u>—</u>	<u>2</u>	<u>—</u>	<u>—</u>	<u>1</u>	<u>—</u>	<u>6</u>
Totals	100	3	136	93	7	1	16 =	<u>356</u>



COMMUNICATIONS RATE CASES  
RESOLVED DURING 1992

<u>Docket No.</u>	<u>Utility</u>	<u>Amount Requested</u>	<u>Amount Allowed</u>	<u>% Increase Allowed</u>
91-025	Pine Tree Telephone	*	(\$720,910)	*
92-159	Cobbosseecontee Tel. & Tel. Co.	\$116,833	\$74,727 (1st Yr) \$41,873 (2nd Yr)	64.0 35.8

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\* Utility did not request revenue increase; revenues were reduced after Commission-initiated investigation.



ELECTRIC UTILITY GENERAL RATE CASES  
FILED PURSUANT TO §§ 307, 310  
EFFECTIVE IN 1992

<u>Docket No.</u>	<u>Utility</u>	<u>Amount Requested</u>	<u>Amount Allowed</u>	<u>% Increase Allowed</u>
92-101	Maine Public Service Co.	\$ 4,307,134	\$ 1,850,000	4.2

ELECTRIC UTILITY RATE CASES  
FILED PURSUANT TO § 3502

<u>Docket No.</u>	<u>Utility</u>	<u>Proposed Revenue</u>	<u>Increase Over Prior Year</u>	<u>% Increase</u>
*91-258	Madison Electric Works	\$ 2,341,497	\$132,012	5.9
92-038	Fox Island Elec. Coop.	\$ 1,143,432	\$ 76,573	7.2

\* Failed § 6104



FUEL IN ELECTRIC RATES  
(\$000)

Company	1990 Gross Revenue	1990 Fuel Revenue	1990 Fuel %	% Change in Fuel Revenue	1991 Gross Revenue	1991 Fuel Revenue	1991 Fuel %	% Change in Fuel Revenue	1992 Gross Revenue	1992 Fuel Revenue	1992 Fuel %	% Change in Fuel Revenue
C.M.P.	\$756,344	\$364,708	48.2	19.4	\$855,828	\$408,284	47.7	11.9	\$ 882,403	\$411,360	46.6	.8
B.H.E.	\$134,132	\$ 73,323	54.7	21.9	\$146,310	\$ 84,667	57.9	15.5	\$ 163,198	\$ 89,446	54.8	5.6
M.P.S.	<u>\$ 54,530</u>	<u>\$ 20,276</u>	37.2	- 6.2	<u>\$ 54,857</u>	<u>\$ 21,391</u>	39.0	5.5	<u>\$ 53,556</u>	<u>\$ 18,235</u>	34.0	-14.8
	<u>\$945,006</u>	<u>\$458,307</u>	<u>48.5</u>	<u>18.4</u>	<u>\$1,056,995</u>	<u>\$514,342</u>	<u>47.3</u>	<u>12.2</u>	<u>\$1,099,157</u>	<u>\$519,041</u>	<u>47.2</u>	<u>.9</u>

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

Company	1990 Gross Revenue	1990 Gas Cost	1990 % Gas	% Change in Gas Revenues	1991 Gross Revenue	1991 Gas Cost	1991 % Gas	% Change in Gas Revenues	1992 Gross Revenue	1992 Gas Cost	1992 % Gas	% Change in Gas Revenues
N.U.	\$ 26,182	\$ 14,518	55.5	19.9	\$24,998	\$14,599	58.4	.6	\$28,197	\$15,327	54.4	5.0



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

COMPLETED IN 1992					
Docket No.	Utility	Proposed	Increase	%	
		Revenue	over	Increase	Effective
=====	=====	=====	Prior Year	=====	=====
91-345	KINGFIELD WATER DISTRICT	\$64,000.00	\$27,682.00	76.22%	7/1/92
91-349	BRIDGTON WATER DISTRICT	\$248,435.00	\$69,705.00	39.00%	3/1/92
91-352	WASHBURN WATER DEPARTMENT	\$107,893.00	\$18,571.00	20.79%	3/1/92
91-358	MADISON WATER DISTRICT	\$289,988.00	\$44,436.00	18.10%	4/1/92
92-048	HALLOWELL WATER DISTRICT	\$237,665.00	\$36,625.00	18.22%	9/1/92
92-083***	BREWER WATER DISTRICT	\$1,128,383.00	\$252,633.00	28.85%	6/1/92
92-121	MEXICO WATER DISTRICT	\$304,487.00	\$51,560.00	20.39%	7/1/92
92-134	KENNEBEC WATER DISTRICT	\$4,331,349.00	\$1,649,850.00	61.53%	7/16/92
92-140	JACKMAN WATER DISTRICT	\$122,148.00	\$26,848.00	28.17%	7/15/92
92-145	FRANKLIN WATER DEPARTMENT	\$33,276.00	\$19,374.00	139.36%	7/31/92
92-160	BATH WATER DISTRICT	\$1,301,241.00	\$261,283.00	25.12%	8/6/92
92-162***	PORTLAND WATER DISTRICT	\$12,243,412.00	\$1,778,000.00	17.00%	5/15/92
92-169	LIMESTONE WATER DISTRICT	\$149,528.00	\$8,653.00	6.14%	9/1/92
92-183	SOUTH BERWICK WATER DISTRICT	\$505,395.00	\$170,500.00	50.91%	9/1/92
92-223	HOULTON WATER COMPANY	\$855,300.00	\$159,115.00	22.86%	11/1/92
92-232	NORRIDGEWOCK WATER DISTRICT	\$90,926.00	\$20,455.00	29.03%	11/1/92
92-247	ORONO-VEAZIE WATER DISTRICT	\$903,439.00	\$246,939.00	37.61%	4/1/92
92-248	DEXTER UTILITY DISTRICT	\$212,000.00	\$48,233.00	29.45%	11/15/92
92-277	RUMFORD WATER DISTRICT	\$713,400.00	\$172,951.00	32.00%	12/31/92
92-287	WINTHROP WATER DISTRICT	\$589,702.00	\$142,019.00	31.72%	12/31/92
92-294	MILBRIDGE WATER DISTRICT	\$56,500.00	\$13,229.00	30.57%	1/1/93

\*\*\* = failed §6104



INVESTOR OWNED WATER UTILITIES AND WATER DISTRICT  
 RATE CASES PURSUANT TO §307  
 COMPLETED IN 1992

Docket No.	Utility	Date	Proposed	Allowed	Allowed	%	Effective	Test Year	Requested	Allowed
		Filed	Revenue	Revenues	Increase	Increase	Date	Return	Return	Return
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
91-123	BAR HARBOR WATER COMPANY	5/13/91	\$555,105	\$556,100	\$123,677	28.60%	1/22/92	3.94%	11.05%	9.740%
91-230	KITTERY WATER DISTRICT	8/26/91	\$2,086,075	\$1,987,009	(\$281,929)	-12.40%	5/20/92	N/A	N/A	N/A
91-253	MACHAIS WATER COMPANY	9/24/91	\$145,488	\$141,088	\$10,141	7.74%	4/17/92	5.59%	10.89%	9.450%
91-340	HARTLAND WATER COMPANY	12/1/91	\$109,474	\$98,332	\$30,535	45.04%	7/1/92	-5.24%	10.60%	9.200%
92-263	SMALL POINT WATER COMPANY	9/15/92	\$22,200	\$22,200	\$7,400	50.00%	5/15/93	-52.28%	3.97%	3.97%



EXHIBIT L

Days of Hearings Held in 1992

Central Maine Power Company Rate Design (89-068) and Complaint Cases (92-078)	7
Central Maine Power Company GS-SP Rate (91-344)	7
PUC Investigation Into NET Cost of Service and Rate Design (92-130)	7
PUC Investigation of Fuel Conversion Proposals (91-213)	<u>5</u>
	26
Other than major cases	<u>61</u>
TOTAL	87



3. Consumer  
Assistance  
Division

The Consumer Assistance Division (CAD) received 6,308 contacts from utility customers in 1992, a 27% increase compared to last year: 1,657 complaints (+3%), 4545 requests for information (+40%), 106 referrals to other agencies or organizations (-3%). The CAD also received 20 exemptions requests from utilities (+50%). Including the requests for permission to disconnect under the Winter Rule received in 1991-92 (574), the CAD handled 6,882 cases and contacts in 1992. The large increase in the number of information contacts was due to customers contacting the CAD to express their views regarding rate increases and rate design changes for electric utilities.

There are several reasons for the continuing increase in CAD's caseload:

- (1) Changes to Central Maine Power Company's (CMP) rate structure which were implemented in December, 1991, resulted in rate increases for CMP's residential customers and some of CMP's business customers. A problem with the rate design for the Medium General Service and Small General Service customers added to the increased case load;
- (2) Base rate increases for Bangor Hydro and Maine Public Service Company, as well as fuel clause increases to cover the cost of purchased power for CMP occurred in 1992; and
- (3) Maine's economy continued to decline in 1992.

Exhibit CAD1 shows total contacts, including requests to disconnect, since 1980.

Exhibit CAD2 shows a comparison of the number of complaints, information,

referrals and winter requests to  
disconnect received by the CAD over the  
past 5 years.

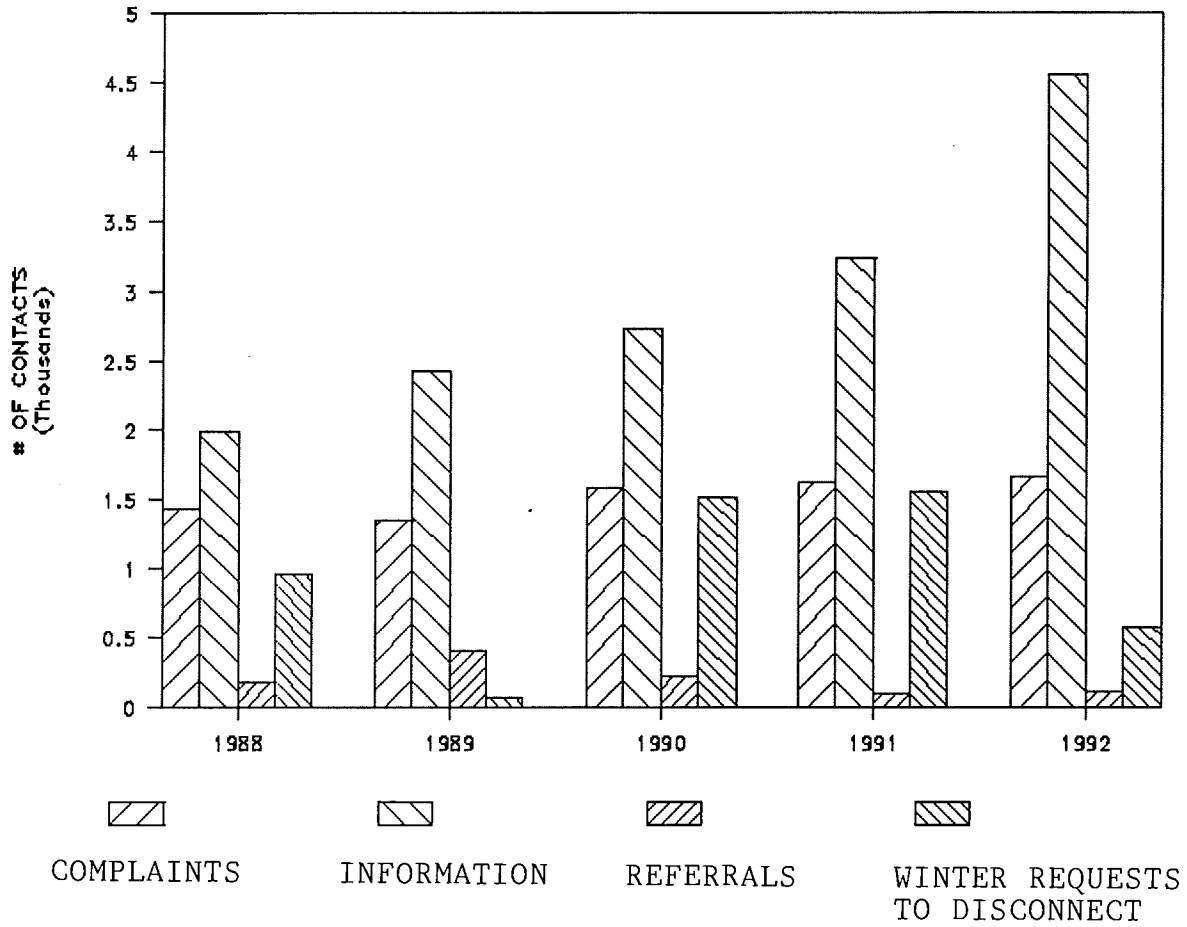
CONSUMER ASSISTANCE DIVISION  
COMPLAINTS/CONTACTS 1980-1992

<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
1991	6,510
1992	6,882



# CAD CONTACTS

1988-1992





## Adjustments

A total of \$209,683 was adjusted or reimbursed to utility customers as a result of CAD investigation or mediation of 114 cases. There were several cases which involved large adjustments. The largest adjustment involved a case with New England Telephone Company (NET). In that case the CAD's investigation revealed that NET had been improperly billing customers for calls to toll free telephone numbers, which included NET's business office toll free number. This NET billing system problem affected 25,299 customers, and resulted in NET making billing adjustments to these customers totaling \$83,000.

Exhibit CAD3 shows the breakdown of adjustments by type of utility.

## Appeals

The Commission received 60 appeals of CAD staff decisions in 1992. Of the 60 appeals, 56 were from customers and 4 were from utilities. The Commission declined to begin an investigation in 33 cases, thus upholding the CAD decisions. The CAD decision was changed or reversed in 4 cases and 3 appeals were withdrawn. At the end of 1992, 20 appeals were pending. Of the 40 appeals closed in 1992, 73% involved CMP. Of the CMP appeals 69% involved broken payment arrangements or renegotiations of payment arrangements. In most cases these were special payment arrangements that required the customer to pay their past due balance off prior to November 1st, the beginning of the winter period, in accordance with Section 17, Chapter 810 of the Commission's Rules.

The remaining 31% of the closed appeals involved Bangor Hydro-Electric Company, New England Telephone Company, GTE and Portland Water Company and concerned decisions the CAD had made involving line extensions, billing disputes, disconnections, high use and several exemption requests.



CUSTOMER CHARGES ADJUSTED/WAIVED 1981-1992

<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
1991	\$ 80,257.00
1992	\$ 209,683.28

CUSTOMER CHARGES ADJUSTED/WAIVED 1992

<u>TELEPHONE:</u>	(44 Cases)	\$ 96,350.00
<u>ELECTRIC:</u>	(50 Cases)	\$ 15,451.00
<u>WATER:</u>	(10 Cases)	\$ 19,061.00
<u>GAS:</u>	( 8 Cases)	\$ 276.00
<u>OTHER:</u>	( 2 Cases)	\$ 344.00
TOTAL:	(114 Cases)	\$209,683.28



## Violations

The CAD issued 44 violation citations finding one or more violations of the Commission's Rules in 1992. This was an decrease of 71 (62%) violation citations compared to 1991. Seventeen of these violations were for one or more requirements of the Winter Disconnection Rule.

There were several reasons for the significant reduction in the number of violation citations in 1992. One reason was CMP's institution of a screening process for the Winter Disconnection requests to disconnect that it sends to the Commission. This screening process reduced both the number of requests received and the number of violations appearing in those requests during 1992. The violation citations for Winter Disconnection Rule violations went from 55 in 1991 to 17 in 1992. Another reason appears to be NET's efforts to handle disputes at the Company before referring a customer to the CAD and better NET programs to address customers who repeatedly break payment arrangements. This resulted in the number of violation citations going from 27 in 1991 to 1 in 1992.

Exhibit CAD4 shows the number and type of violations by utility.

## Exemptions

The CAD received 20 requests from utilities to grant an exemption from Chapter 810 for a particular customer in 1992: 6 were granted, 9 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.



Violations

<u>Electric Utilities (33)</u>	<u>Types of Violations</u>	<u>Total # of Violation Letters</u>
Bangor Hydro-Electric	1 Previously unbilled service 1 High usage 1 Disputed bills/payments	3
Central Maine Power Company	9 Winter Disconnection Rule 5 Disputed bills/payment 4 High usage 2 Regular notice 1 Regular notice disconnection 2 Broken payment arrangement notice 1 CAD previously negotiated p/a 1 Broken p/a disconnection 1 Variance request	26
Maine Public Service Company	1 Broken p/a disconnection	1
Eastern Maine Electric Co-op	2 Winter disconnection rule	2
Madison Electric Works	1 Winter disconnection rule	1
<u>Telephone Utilities (3)</u>		
Hampden Telephone Company	1 Deposits	1
New England Telephone Company	1 Customer service	1
Union River Telephone Company	1 Disputed p/a renegotiation	1
<u>Water Utilities (2)</u>		
Patten Water	1 Disputed bills/payments	1
Lubec Water	1 Line/main extensions	1
<u>Gas (6)</u>		
Northern Utilities, Inc.	5 Winter disconnection rule 1 Variance	6



Winter Disconnection  
Rule

The CAD received 574 requests to disconnect residential customers from electric and gas utilities during the period November 15, 1991 through April 15, 1992. Of these requests, (35%) were granted and 376 (65%) were denied.

Central Maine Power Company had the largest decrease in its winter disconnect requests, which decreased by 989 compared to 90/91. Bangor Hydro-Electric Company (BHE) submitted no winter disconnection requests to CAD during the 1991/92 winter period due to the Commission granting BHE exemptions from portions of the Winter Rule, which allowed BHE to cycle a customers service on and off up to 5 days in an effort to get the customer to contact BHE to negotiate a special payment arrangement on the past due amount. In order to permanently disconnect a customer during the winter period BHE was still required to submit a winter disconnection request to CAD and none were requested last winter.

Most requests to disconnect are filed because the utility seeks to contact the customer and negotiate a payment arrangement. 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 very few cases, the customer refuses to negotiate a payment arrangement.

Exhibit CAD5 lists the disposition of the requests to disconnect by utility.



CONSUMER ASSISTANCE DIVISION  
UTILITY WINTER REQUESTS TO DISCONNECT

1991-1992

	<u>*Disconnect/ Ratio</u>	<u>Requests Granted</u>	<u>Requests Denied</u>	<u>Violations</u>
Central Maine Power	519/1.18	188	331	9
Eastern Maine Electric	21/2.22	2	19	2
Madison Electric Dept.	5/2.56	3	2	1
Northern Utilities	11/0.92	1	10	5
Houlton Water Co. (Elec. Div.)	15/4.01	4	11	0
Maine Public Service	1/0.04	0	1	0
Kennebunk Light & Power	2/0.54	0	2	0
Fox Island Electric Coop.	<u>0/0.00</u>	<u>0</u>	<u>0</u>	<u>0</u>
 TOTALS	 574	 198	 376	 17

\* Per 1000 residential customers.



## Complaints

The CAD closed 1,724 complaints in 1992, a 6% increase from 1991. This does not include the 227 complaints received in 1992, but still pending at year-end. A dramatic increase in complaints from CMP customers concerning CMP's implementation of rate design changes and a significant increase in the number of billing disputes resulted in most of this increase. Approximately 86% of all of the closed complaints were from residential customers.

Exhibit CAD6 shows the percentage of the total number of complaints closed in 1992 by types of utility.

Exhibit CAD7 shows the number of complaints closed by CAD by type of utility for each of the past 5 years.

Exhibit CAD8 explains CAD complaint codes.

Exhibit CAD9 shows the total of all complaints closed by type of utility and type of complaint.

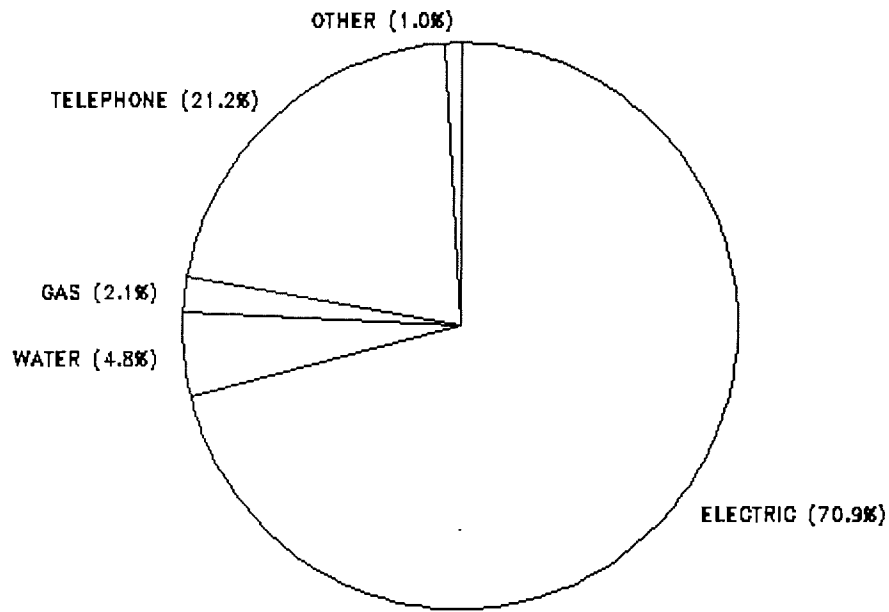
Utilities are listed in order of the highest complaint ratio to the lowest. The complaint ratio was calculated by dividing the number of complaints by the number of customers (residential and commercial) and multiplying by 1000.

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.

# CLOSED COMPLAINTS — 1992

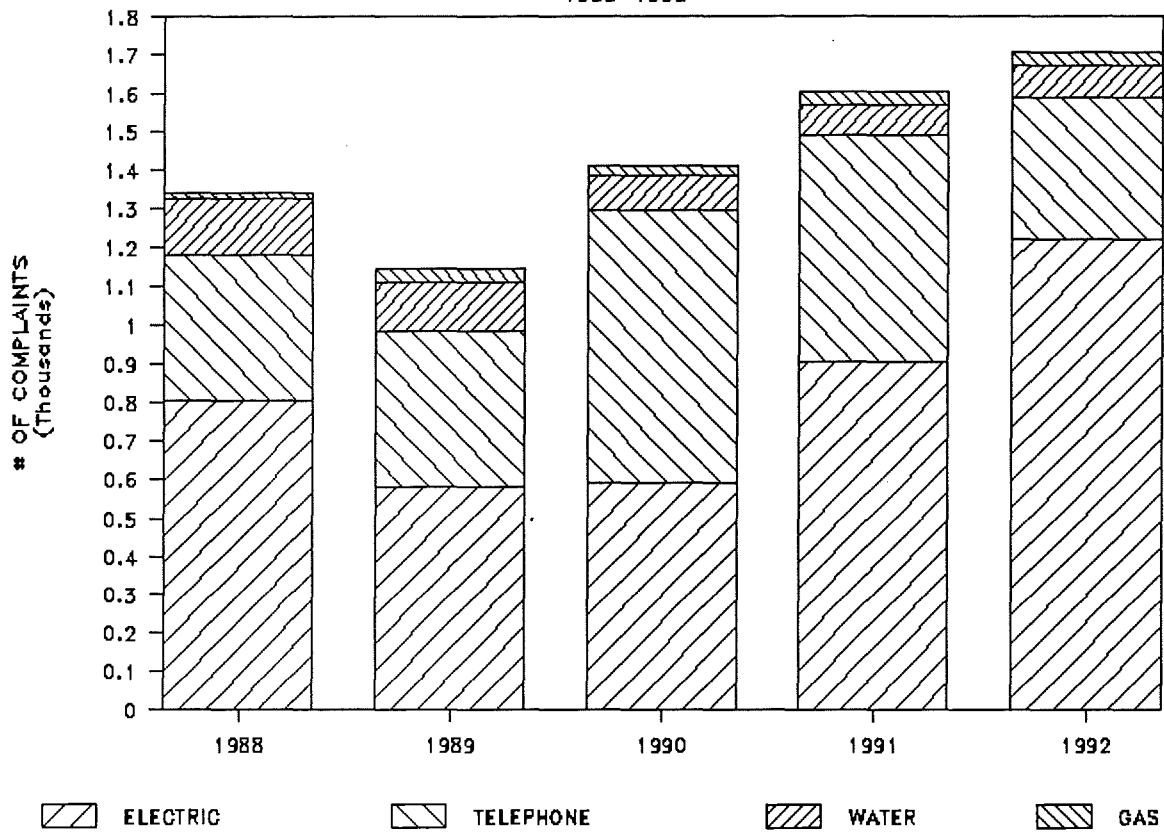
UTILITY TYPE





# CLOSED COMPLAINTS

1988-1992





INTAKE/INFORMATION CODES

SERVICE

S1 New Service Delays  
(No extension/poles needed)

S2 Application for Service

S3 Line/Maine Extensions

S4 Service Repairs

S5 Outages

S6 Service Classification

S7 Denied Damage Claims

S8 Customer Service

S9 Quality of Utility Service

S10 Application for Serv (Indiv.)

DISPOSITION CODES

S1a Private Line/Business  
Line

S3a Delay  
S3b Costs

S5a Repeated Outages  
S5b Line Clearance

S8a Unfair Sales Practices  
S8b Conduct of Personnel

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

M8 EAS Complaints

M9 MGS Rate Cap

M10 3 Phase Charge



**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**

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		

**Information Codes**

I2	EAS
I3	Telephone Lifeline

**Other**

V	Variance Request from Utility
W	Customer Calling Utility
U	Unregulated

Updated 1/11/93



COMPLAINTS CLOSED BY THE  
CONSUMER ASSISTANCE DIVISION  
1992

TYPE OF UTILITY	ELECTRIC	TELEPHONE	WATER	GAS	WATER CARRIERS	OTHER	1991 TOTAL	1992 TOTAL
<hr/>								
<b>SERVICE</b>								
<hr/>								
1	13	9	2	1	0	0	21	25
1a	0	0	0	0	0	0	0	0
2	6	5	0	0	0	0	5	11
3	20	1	12	1	0	0	72	34
3a	1	1	0	0	0	0	1	2
3b	1	0	1	0	0	0	2	2
4	15	12	7	0	0	0	48	34
5	7	0	0	0	0	0	14	7
5a	0	0	0	0	0	0	0	0
5b	0	0	0	0	0	0	0	0
6	4	11	0	0	0	0	8	15
7	22	0	0	0	0	0	23	22
8	12	12	3	1	0	0	21	28
8a	1	0	0	0	0	0	1	1
8b	1	0	0	0	0	0	0	1
9	0	6	9	0	0	0	10	15
10	3	2	0	0	0	0	10	5
10a	0	0	0	0	0	0	0	0
10b	1	0	0	0	0	0	0	1
10c	0	0	0	0	0	0	0	0
TOTAL#	107	59	34	3	0	0	236	203
TOTAL%	8.76%	16.12%	40.96%	8.33%	0.00%	0.00%	14.49%	11.77%
<hr/>								
<b>MISCELLANEOUS</b>								
<hr/>								
1	58	0	0	0	0	0	3	58
2	0	0	0	0	0	0	4	0
3	0	0	0	0	0	0	0	0
4	0	1	0	0	0	2	3	3
5	149	20	10	1	0	4	64	184
6	0	7	0	0	0	1	49	8
7	0	2	0	0	0	4	19	6
8	0	4	0	0	0	0	13	4
9	0	0	0	0	0	0	0	0
10	9	0	0	0	0	0	0	9
TOTAL#	216	34	10	1	0	11	155	272
TOTAL%	17.68%	9.29%	12.05%	2.78%	0.00%	64.71%	9.52%	15.78%



COMPLAINTS CLOSED BY THE  
CONSUMER ASSISTANCE DIVISION  
1992

TYPE OF UTILITY	ELECTRIC	TELEPHONE	WATER	GAS	WATER CARRIERS	OTHER	1991 TOTAL	1992 TOTAL
<hr/>								
Disconnection								
D1	30	12	4	4	0	0	68	50
D2	16	8	6	1	0	0	66	31
D3	354	129	2	9	0	0	614	494
D3a	14	1	0	0	0	0	6	15
D4	105	18	2	1	0	0	107	126
D4a	0	1	0	0	0	0	2	1
TOTAL#	519	169	14	15	0	0	863	717
TOTAL%	42.47%	46.17%	16.87%	41.67%	0.00%	0.00%	52.98%	41.59%
<hr/>								
BILLING								
B1	107	72	19	12	0	6	202	216
B1a	0	2	0	0	0	0	0	2
B1b	0	0	0	0	0	0	1	0
B1c	0	6	0	0	0	0	18	6
B1d	0	0	2	1	0	0	2	3
B1e	4	0	0	0	0	0	1	4
B2	95	0	4	0	0	0	38	99
B3	2	0	0	0	0	0	1	2
B4	64	8	0	2	0	0	62	74
B5	80	10	0	0	0	0	19	90
B5a	0	0	0	0	0	0	0	0
B6	28	6	0	2	0	0	31	36
TOTAL#	380	104	25	17	0	6	375	532
TOTAL%	31.10%	28.42%	30.12%	47.22%	0.00%	35.29%	23.02%	30.86%
<hr/>								
1992 COMPLAINT TOTAL	1222	366	83	36	0	17	1629	1724



## Electric Utility Complaints

The CAD closed 1,222 electric utility complaints in 1992, which was 315 (35%) more than were closed in 1991. Of the 1,222 complaints closed, 43% involved disconnection, 31% involved billing disputes, 18% were miscellaneous complaints such as rate design and 9% involved service quality. The electric utilities showed an increase in complaints in three areas, miscellaneous (555%), billing (68%) and disconnections (1%) compared to 1991. Closed complaints against electric utilities decreased in the area of service by 20% compared to 1991. The significant increase in the miscellaneous and billing areas are attributable to the increased number of complaints against CMP relating to rate design and rate increases.

The number of complaints closed by CAD involving the three major electric utilities, Central Maine Power Company, (CMP), Bangor Hydro-Electric Company (BHE) and Maine Public Service Company (MPS) went up for CMP and MPS and down for BHE. CMP's closed complaints increased by 346 or 33% compared to 1991. The increases were in the miscellaneous area 859%, the billing area 77% and disconnections 3%. This increase resulted in CMP having the highest number of complaints per customer of all electric utilities in 1992. MPS's closed complaints increased by 6 or 22% compared to 1991. The area with the largest increase in complaints was service with an increase of 133%.

The number of closed complaints for BHE went down by 36 or 25% in 1992 when compared with 1991. BHE's miscellaneous, service and disconnection complaints all decreased, with the biggest reductions in the service area 57% and disconnections 21%. BHE had an increase of 19% in billing disputes in 1992 compared to 1991.

Exhibit CAD10 is a comparison of the complaint ratios of the three major electric utilities. It shows the sharp increases in CMP's complaint ratio over the past two years.

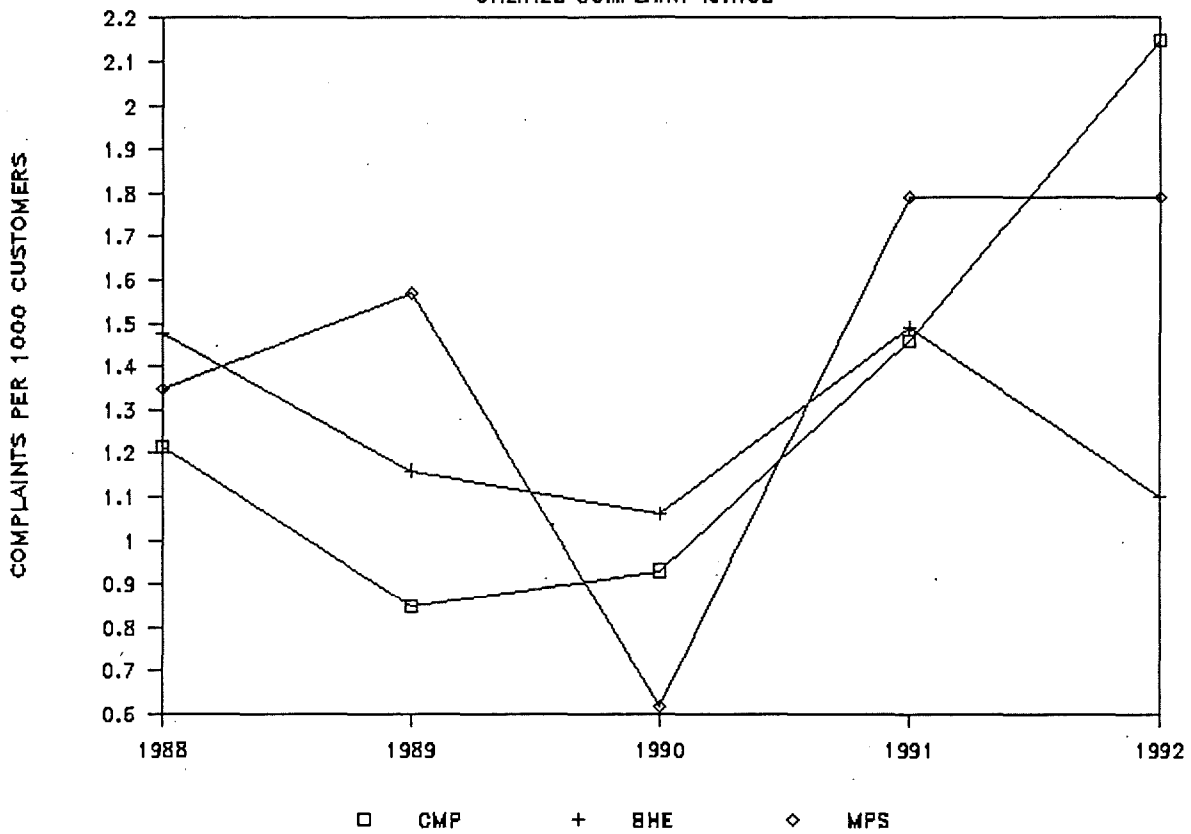
Exhibit CAD11, CAD12, show the closed complaints for CMP and BHE by % according to type of complaint.

Exhibits CAD13, CAD14, show the closed complaints for CMP and BHE according to type of complaint for each of the past 12 months.

Five electric utilities had increases in the number of complaints closed in 1992, 4 had decreases and 1 remained the same. Van Buren Light and Power District and Union River Electric Cooperative, Inc. both had significant decreases in their complaint ratios this year moving them from the top of the list to the bottom. Madison Electric continued to have a high complaint ratio, although it did not increase from 1991. Eastern Maine Electric Cooperative (EMEC) showed a significant increase in its complaint ratio. EMEC's complaints increased in all areas.

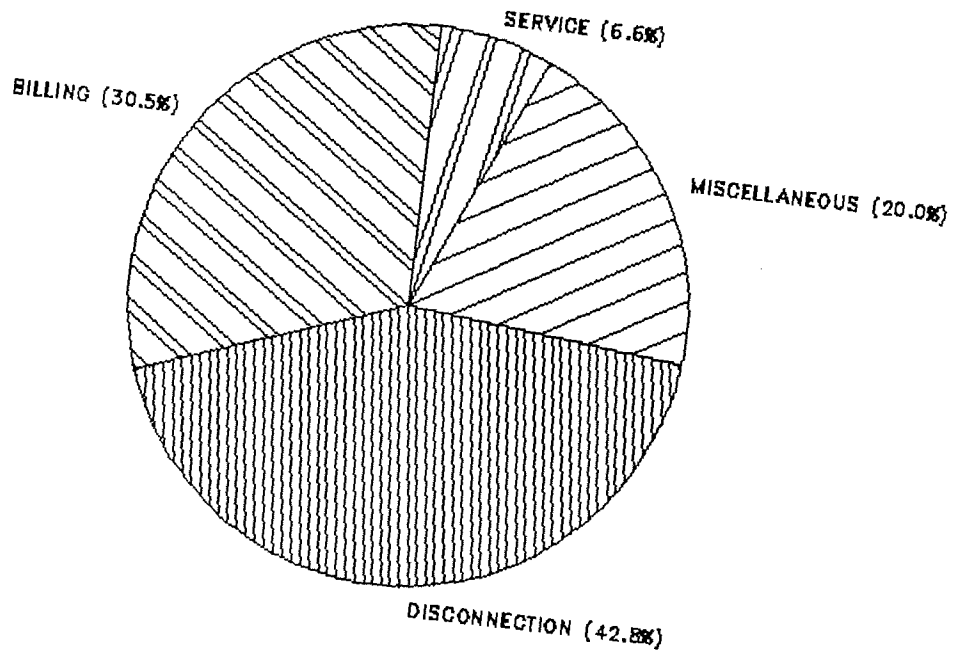
Exhibit CAD15 describes the 1992 electric utility closed complaints.

# COMPARISON OF MAJOR ELECTRIC UTILITIES COMPLAINT RATIOS





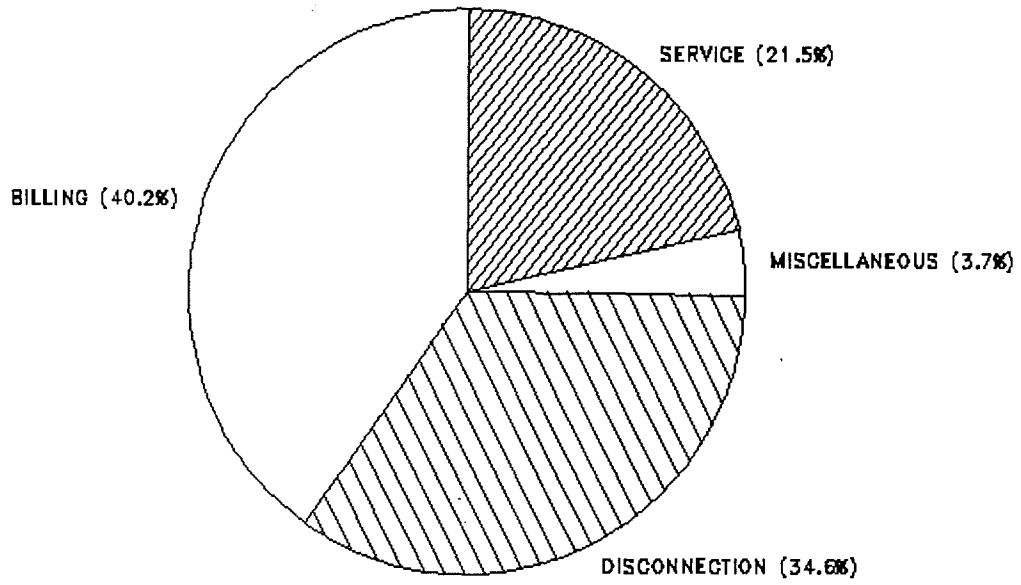
CENTRAL MAINE POWER COMPANY  
CLOSED COMPLAINTS - 1992





BANGOR HYDRO-ELECTRIC COMPANY

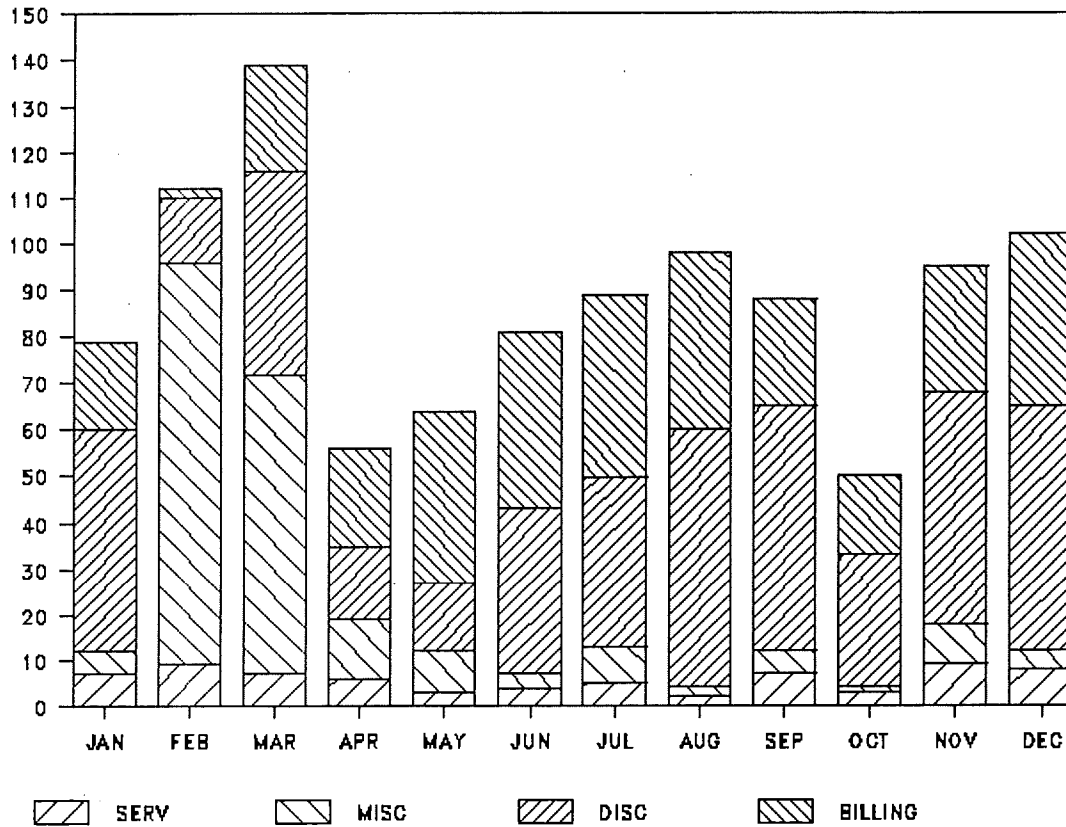
CLOSED COMPLAINTS - 1992





# CENTRAL MAINE POWER COMPANY

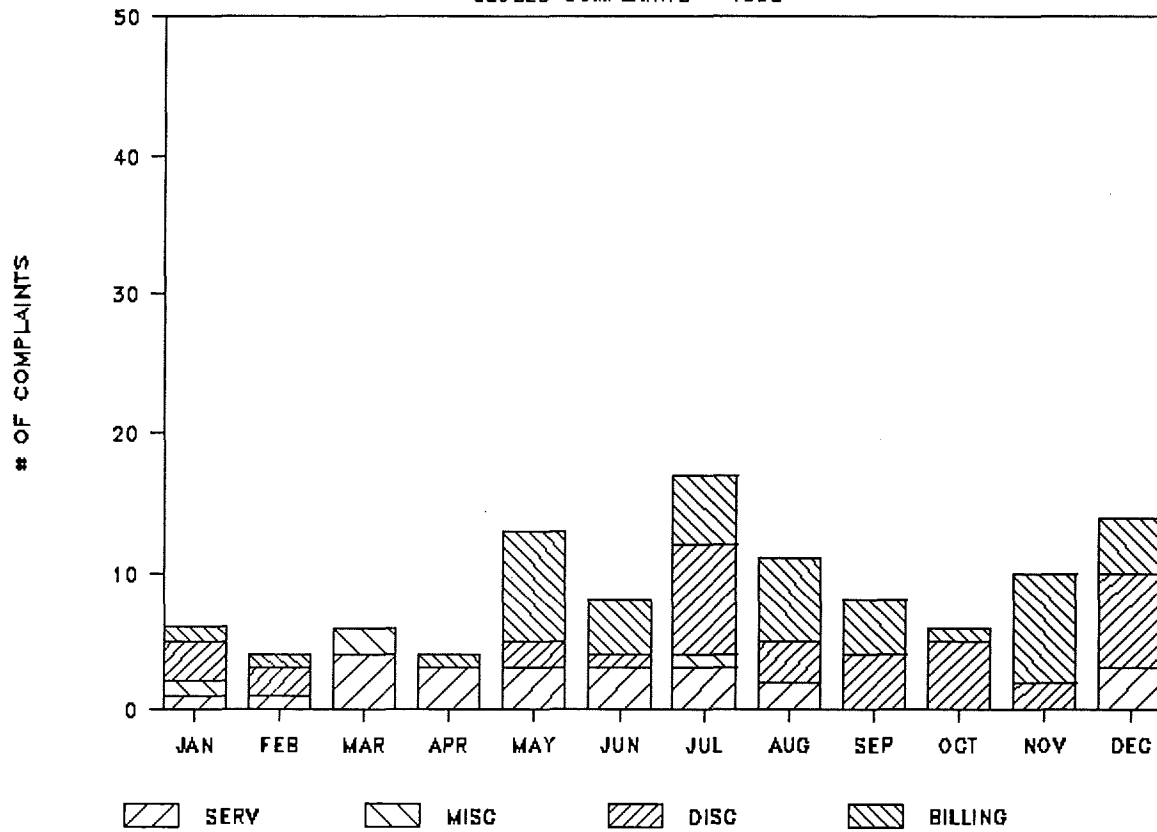
CLOSED COMPLAINTS - 1992





# BANGOR HYDRO-ELECTRIC COMPANY

CLOSED COMPLAINTS - 1992





## 1992 ELECTRIC UTILITY COMPLAINTS

COMPANY	SERVICE # / %	MISC. # / %	DISCONNECT # / %	BILLING # / %	# OF COMPLAINTS, COMPLAINTS PER 1000 CUSTOMERS	
					1991 TOTAL	1992 TOTAL
CENTRAL MAINE POWER CO.	70 6.65%	211 20.04%	451 42.83%	321 30.48%	707 1.46	1053 2.15
ADISON ELECTRIC WORKS DEPARTMENT	1 25.00%	0 0.00%	1 25.00%	2 50.00%	4 1.79	4 1.79
EASTERN MAINE ELECTRIC COOPERATIVE, INC.	4 30.77%	1 7.69%	4 30.77%	4 30.77%	8 0.76	13 1.20
KENNEBUNK LIGHT & POWER DISTRICT	1 20.00%	0 0.00%	4 80.00%	0 0.00%	3 0.70	5 1.15
WANGOR HYDRO-ELECTRIC CO.	23 21.50%	4 3.74%	37 34.58%	43 40.19%	143 1.49	107 1.10
WOULTON WATER CO. ELECTRIC DEPT.	1 20.00%	0 0.00%	3 60.00%	1 20.00%	4 0.82	5 1.02
MAINE PUBLIC SERVICE CO.	7 21.21%	0 0.00%	18 54.55%	8 24.24%	27 0.79	33 0.99
WYMAN BUREN LIGHT & POWER DISTRICT	0 0.00%	0 0.00%	1 100.00%	0 0.00%	5 3.22	1 0.64
UNION RIVER ELECTRIC COOPERATIVE, INC.	0 0.00%	0 0.00%	0 0.00%	1 100.00%	4 2.40	1 0.60
FOX ISLANDS ELECTRIC COOPERATIVE, INC.	0 0.00%	0 0.00%	0 0.00%	0 0.00%	2 1.36	0 0.00
1992 TOTAL ALL COMPANIES	107 8.76%	216 17.68%	519 42.47%	380 31.10%	907	1222



Telephone Utility  
Complaints

Of the 366 complaints closed in 1992 which concerned telephone utilities regulated by the Commission, 16% concerned service quality or requests for new service, 28% related to billing disputes 46% concerned disconnections and 9% involved miscellaneous issues such as rates, 900 #'s and Extended Area Service. There was a significant decrease in the number of complaints filed against telephone utilities in 1992, most notably New England Telephone Company (NET). Significant decreases occurred in the areas of service (19 cases or 24%), disconnection (150 cases or 47%) and miscellaneous complaints (49 cases or 59%). This is the second year in a row that there has been a significant decrease in the number of disconnection cases. The decrease in NET's disconnection cases accounted for 87% of the overall decrease in disconnection cases. The decrease in the miscellaneous complaints was due to a decrease in the number of extended area service complaints and 1-900 number cases. Billing was the only area which showed a slight increase (2 cases or 2%). NET's complaints decreased from 477 in 1991 to 301 in 1992, a decrease of 176 cases or 39%. The number of complaints against smaller independent telephone companies decreased from 105 in 1991 to 65 in 1992, a 38% decrease.

NET's complaints decreased dramatically for the second straight year. Going from 607 in 1990 to 477 in 1991 to 301 in 1992. When compared with NET's 1991 complaint figures, NET's 1992 complaints decreased in three areas, service (19 cases or 31%), disconnection (131 cases or 47%) and miscellaneous complaints (41 cases or 62%). The one area where NET's complaints did increase in 1992 was billing (15 cases or 22%). NET's informal efforts to handle customer disputes at the Company level and its increased attention to making workable payment arrangements with its customers appear to be responsible for the continuing reduction in the number of complaints filed against NET. Whether this trend will

continue is uncertain, as the number of complaints received by CAD against NET, especially in the area of disconnection was increasing during the last 6 months of 1992.

GTE, Maine's second largest telephone company also significantly reduced its complaint ratio. The closed complaints against GTE dropped by 26 cases or 53%. GTE's complaints dropped in all four areas. The most significant reduction were in areas of service (6 cases or 43%), disconnection (11 cases or 61%) and billing (8 cases or 62%).

Exhibit CAD16 is a comparison of the complaint ratios of the two largest telephone utilities. It illustrates the decline in the complaint ratios for NET and GTE.

Exhibit CAD17 shows the closed complaints for NET by percent according to type of complaint.

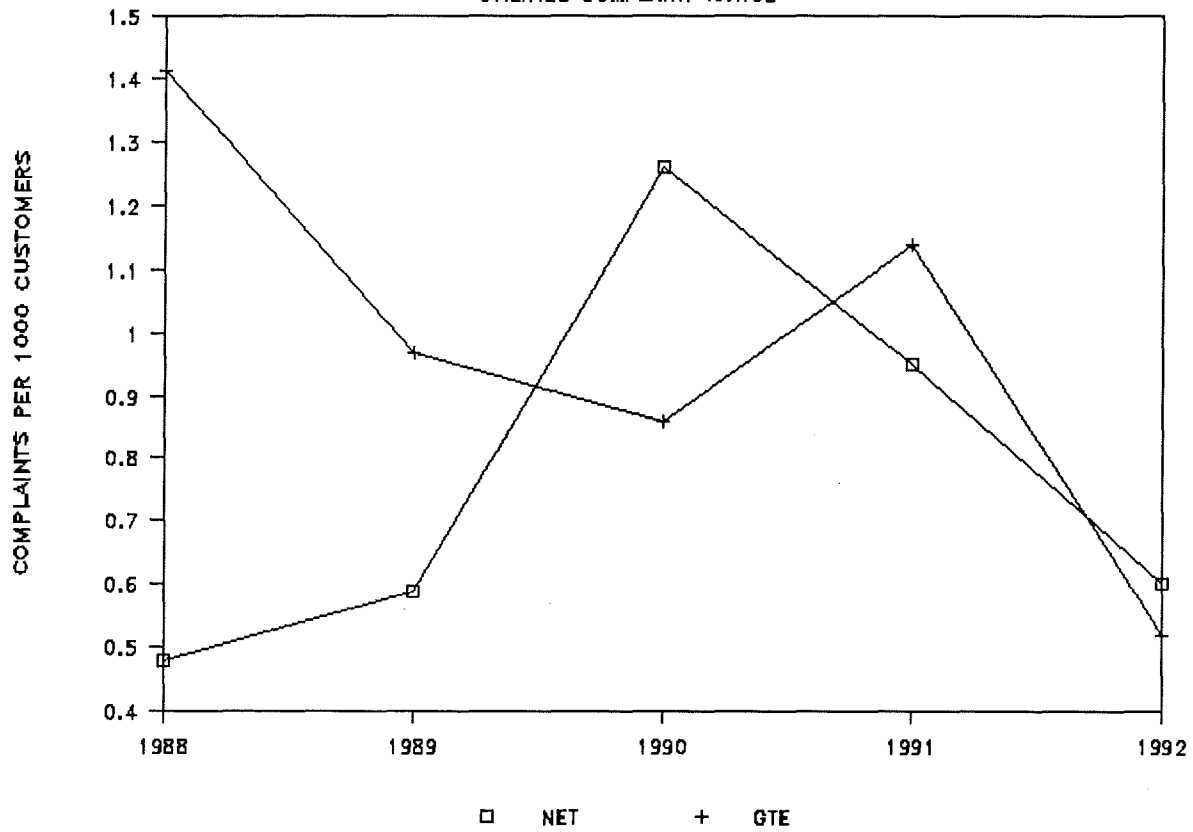
Exhibit CAD18 shows the closed complaints for NET according to the type of complaint for each of the past 12 months.

Several other telephone companies improved their complaint ratio performance compared to 1991; Unity, Warren, Somerset and Standish. Community Services, in particular, moved from the highest complaint ratio in 1991 to number 11.

Six telephone companies, Pine Tree, Lincolnville, China, Hampden, Oxford and Saco River had higher complaint ratios this year. Pine Tree moved from number 10 to number 1, with a 200% increase in complaints. Pine Tree had increases in complaints in the service, disconnection and billing areas, with the largest increase in the disconnection area.

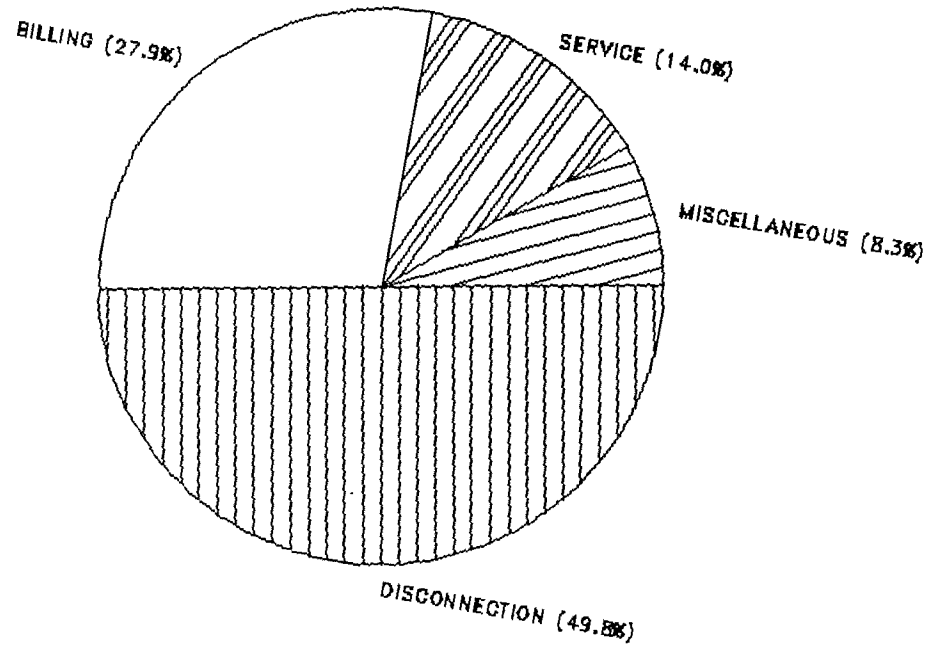
Exhibit CAD19 describes the 1992 telephone utility closed complaints.

# COMPARISON OF MAJOR TELEPHONE UTILITIES COMPLAINT RATIOS





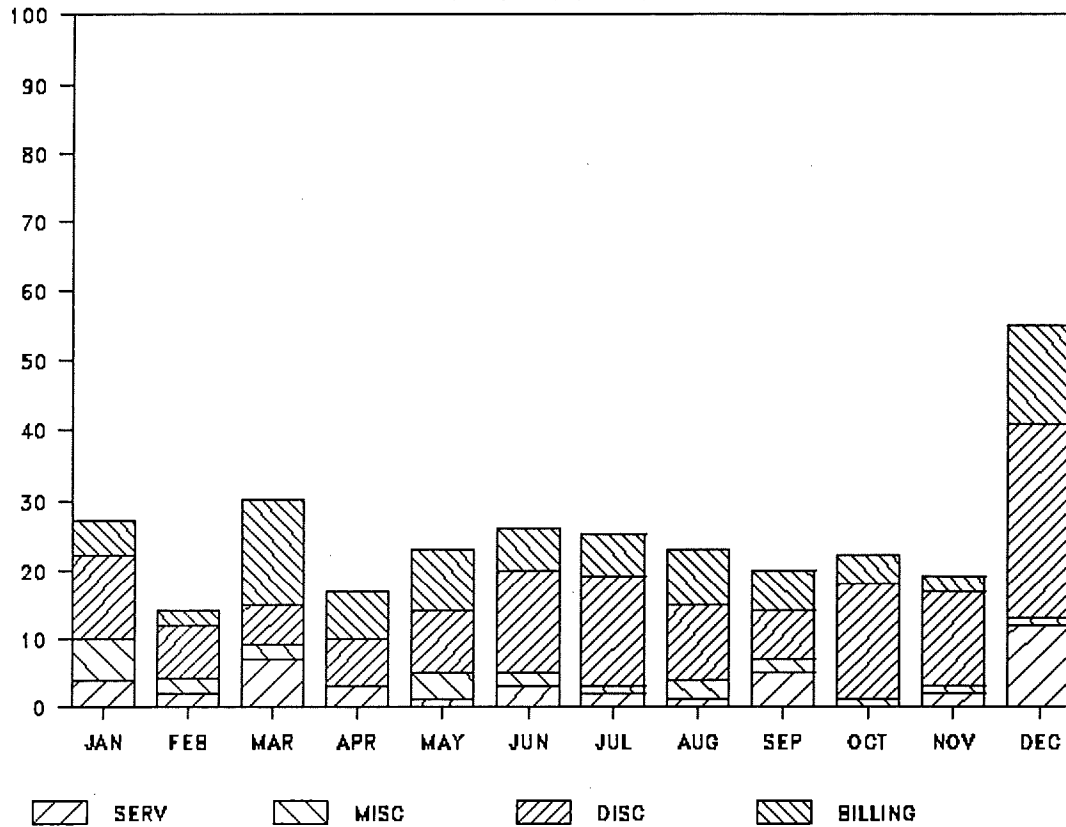
NEW ENGLAND TELEPHONE COMPANY  
CLOSED COMPLAINTS - 1992





# NEW ENGLAND TELEPHONE COMPANY

## CLOSED COMPLAINTS - 1992





## 1992 TELEPHONE UTILITY COMPLAINTS

COMPANY					# OF COMPLAINTS, COMPLAINTS PER 1000 CUSTOMERS	
	SERVICES # / %	MISC. # / %	DISCONNECT # / %	BILLING # / %	1991 TOTAL	1992 TOTAL
PINE TREE TEL. & TEL. CO.	2 16.67%	1 8.33%	4 33.33%	5 41.67%	4 0.83	12 2.45
HARTLAND & ST. ALBANS TELEPHONE CO.	0 0.00%	1 25.00%	2 50.00%	1 25.00%	4 1.73	4 1.73
LINCOLNVILLE TELEPHONE CO.	0 0.00%	0 0.00%	2 100.00%	0 0.00%	0 0.00	2 1.48
CHINA TELEPHONE CO.	2 66.67%	0 0.00%	0 0.00%	1 33.33%	1 0.37	3 1.06
UNION RIVER TELEPHONE CO.	0 0.00%	0 0.00%	0 0.00%	1 100.00%	1 1.03	1 1.00
HAMPDEN TELEPHONE CO.	0 0.00%	0 0.00%	0 0.00%	2 100.00%	0 0.00	2 0.87
UNITY TELEPHONE CO.	1 33.33%	1 33.33%	1 33.33%	0 0.00%	4 1.19	3 0.86
WARREN TELEPHONE CO.	1 100.00%	0 0.00%	0 0.00%	0 0.00%	2 1.51	1 0.72
OXFORD COUNTY TEL. & TEL. CO.	0 0.00%	1 33.33%	0 0.00%	2 66.67%	2 0.46	3 0.63
NEW ENGLAND TEL. & TEL. CO.	42 13.95%	25 8.31%	150 49.83%	84 27.91%	477 0.95	301 0.60
COMMUNITY SERVICE TEL. CO.	2 40.00%	0 0.00%	1 20.00%	2 40.00%	16 1.81	5 0.56
GTE	8 34.78%	3 13.04%	7 30.43%	5 21.74%	49 1.14	23 0.52
SOMERSET TELEPHONE CO.	0 0.00%	1 33.33%	2 66.67%	0 0.00%	9 0.95	3 0.31
SACO RIVER TEL. & TEL. CO.	1 50.00%	0 0.00%	0 0.00%	1 50.00%	1 0.16	2 0.31
STANDISH TELEPHONE CO.	0 0.00%	1 100.00%	0 0.00%	0 0.00%	7 1.21	1 0.16
COBBOSSEECONTEE TEL. & TEL. CO.	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00	0 0.00
BRYANT POND TELEPHONE COMPANY	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00	0 0.00
WEST PENOBSCOT TEL. & TEL. CO.	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 0.56	0 0.00



1992 TELEPHONE UTILITY COMPLAINTS

COMPANY	SERVICES # / %	MISC. # / %	DISCONNECT # / %	BILLING # / %	# OF COMPLAINTS, COMPLAINTS PER 1000 CUSTOMERS	
					1991 TOTAL	1992 TOTAL
PORTLAND MARINE RADIO	0 0.00%	0 0.00%	0 0.00%	0 0.00%	2 ---	0 ---
MAINE CELLULAR	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 ---	0 ---
CELLULAR ONE	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 ---	0 ---
1992 TOTAL ALL COMPANIES	59 16.12%	34 9.29%	169 46.17%	104 28.42%	582	366

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

\* CELLULAR PHONE COMPANIES WERE DEREGULATED IN 1992.



Gas Utility

Northern Utilities, Inc. had a total of 37 complaints for a complaint ratio of 2.27. This continues the trend of increased complaints seen since 1990. Although the size of the increase this year was less than seen in the past, there was an increase of 3 complaints or 9%. The increase was spread out among the service, disconnection and billing areas.

Exhibit CAD20 describes the 1992 gas utility closed complaints.



1992 GAS UTILITY COMPLAINTS  
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COMPANY					# OF COMPLAINTS	
	SERVICE	MISC.	DISCONNECT	BILLING	COMPLAINTS PER 1000 CUSTOMERS	
	# / %	# / %	# / %	# / %	1991 TOTAL	1992 TOTAL
NORTHERN UTILITIES, INC.	3 8.33%	1 2.78%	15 41.67%	17 47.22%	33 2.02	36 2.27



## Water Utility Complaints

The Commission regulates 153 water utilities. In 1992 the CAD closed 83 complaints involving 39 water utilities. When compared to 1991, complaints against water utilities showed a 5% increase. This is the first time complaints against water utilities have increased in three years. Of the complaints closed 41% concerned service quality or requests for service compared to 29% in 1991, 30% concerned billing disputes compared to 29% in 1991, and 17% related to disconnection compared to 20% in 1991. The increase in water complaints was in the service area. There was an increase of 11 cases (48%) in the service area in 1992 compared to 1991. The increase was mainly due to increases in water main extension cases which increased from 9 in 1991 to 13 in 1992 and quality of service case which went from 3 in 1991 to 9 in 1992.

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 1992 complaint ratio remained the same as 1991, 0.56. In 1992 Portland Water had more service cases but less billing and miscellaneous cases. Bangor Water District went from .19 to .10. Augusta Water District had one complaint in 1992. Houlton stayed the same as the past two years with .46, and Auburn increased from .34 to .17. York Water District had a significant increase going from .70 to 4.25. Brewer Water also had a significant increase going from 0.00 to 1.59.

Exhibit CAD21 describes the 1992 water utility closed complaints.



1992 WATER UTILITY COMPLAINTS

COMPANY	SERVICE # / %	MISC. # / %	DISCONNECT # / %	BILLING # / %	# OF COMPLAINTS, COMPLAINTS PER 1000 CUSTOMERS	
					1991 TOTAL	1992 TOTAL
*Patten Water Department	0 0.00%	0 0.00%	1 50.00%	1 50.00%	0 0.00	2 10.93
*Phillips Water Company	2 100.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00	2 7.66
*Island Falls Water Department	0 0.00%	0 0.00%	0 0.00%	1 100.00%	0 0.00	1 5.38
Wiscasset Water District	1 50.00%	0 0.00%	1 50.00%	0 0.00%	1 2.58	2 4.93
York Water District	2 40.00%	1 20.00%	1 20.00%	1 20.00%	3 0.70	5 4.25
*North Haven Water Department	1 100.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00	1 3.40
*Limestone Water Distric	1 100.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00	1 2.70
*Jackman Water District	1 100.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00	1 2.37
*Clinton Water District	0 0.00%	1 100.00%	0 0.00%	0 0.00%	1 2.15	1 2.15
*Mechanic Falls Water Department	0 0.00%	1 100.00%	0 0.00%	0 0.00%	1 1.76	1 1.76
*Dixfield Water Department	1 100.00%	0 0.00%	0 0.00%	0 0.00%	1 1.76	1 1.76
*Northeast Harbor Water	0 0.00%	0 0.00%	0 0.00%	1 100.00%	0 0.00	1 1.68
Brewer Water District	3 60.00%	2 40.00%	0 0.00%	0 0.00%	0 0.00	5 1.57
*Lubec Water District	1 100.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00	1 1.53
*Milo Water District	0 0.00%	0 0.00%	1 100.00%	0 0.00%	1 1.32	1 1.32
Maine Water Company	0 0.00%	0 0.00%	0 0.00%	1 100.00%	1 1.31	1 1.31



## 1992 WATER UTILITY COMPLAINTS

COMPANY	SERVICE # / %	MISC. # / %	DISCONNECT # / %	BILLING # / %	# OF COMPLAINTS, COMPLAINTS PER 1000 CUSTOMERS	
					1991 TOTAL	1992 TOTAL
Gardiner Water District	2 66.67%	0 0.00%	1 33.33%	0 0.00%	1 0.31	3 1.24
Gray Water District	1 100.00%	0 0.00%	0 0.00%	0 0.00%	1 1.20	1 1.20
Yarmouth Water District	1 100.00%	0 0.00%	0 0.00%	0 0.00%	1 1.24	1 1.03
Van Buren Water District	1 100.00%	0 0.00%	0 0.00%	0 0.00%	1 1.00	1 1.00
Pittsfield Water Works	0 0.00%	0 0.00%	0 0.00%	1 100.00%	0 0.00	1 0.91
Bath Water District	1 100.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00	1 0.83
K'bunk, K'bunkport, & Wells Water District	1 50.00%	0 0.00%	0 0.00%	1 50.00%	1 0.34	2 0.68
Portland Water District	7 29.17%	2 8.33%	5 20.83%	10 41.67%	24 0.56	24 0.56
Lisbon Water District	0 0.00%	0 0.00%	0 0.00%	1 100.00%	0 0.00	1 0.48
Brunswick & Topsham Water District	0 0.00%	0 0.00%	0 0.00%	1 100.00%	4 1.89	1 0.47
Camden & Rockland Water Company	0 0.00%	0 0.00%	1 33.33%	2 66.67%	1 0.16	3 0.47
Houlton Water Company	0 0.00%	0 0.00%	1 100.00%	0 0.00%	1 0.46	1 0.46
Presque Isle Water Dist.	0 0.00%	0 0.00%	0 0.00%	1 100.00%	0 0.00	1 0.45
Lewiston Public Works Water Division	0 0.00%	1 33.33%	0 0.00%	2 66.67%	1 0.14	3 0.42
Kennebec Water District	2 66.67%	0 0.00%	1 33.33%	0 0.00%	3 0.34	3 0.34



1992 WATER UTILITY COMPLAINTS  
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COMPANY	SERVICE # / %	MISC. # / %	DISCONNECT # / %	BILLING # / %	# OF COMPLAINTS, COMPLAINTS PER 1000 CUSTOMERS	
					1991 TOTAL	1992 TOTAL
Sanford Water District	0 0.00%	0 0.00%	0 0.00%	1 100.00%	0 0.00	1 0.19
Augusta Water District	1 100.00%	0 0.00%	0 0.00%	0 0.00%	1 0.18	1 0.18
Auburn Water District	1 100.00%	0 0.00%	0 0.00%	0 0.00%	2 0.34	1 0.17
Bangor Water District	0 0.00%	1 100.00%	0 0.00%	0 0.00%	2 0.19	1 0.10
Biddeford & Saco Water Company	0 0.00%	0 0.00%	1 100.00%	0 0.00%	2 0.16	1 0.08
**Hebron Water Company	2 100.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00	2 ---
**Wasburn Water Department	0 0.00%	0 0.00%	0 0.00%	1 100.00%	0 0.00	1 ---
**Lucerne Water Company	1 100.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00	1 ---
*Quantabacook Water Company	0 0.00%	0 0.00%	0 0.00%	0 0.00%	2 13.61	0 0.00
*Canton Water District	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 8.40	0 0.00
*Rangeley Water Company	0 0.00%	0 0.00%	0 0.00%	0 0.00%	2 5.21	0 0.00
*Limerick Water District	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 4.48	0 0.00
*Hartland Water Company	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 3.89	0 0.00
Bucksport Water Company	0 0.00%	0 0.00%	0 0.00%	0 0.00%	2 3.26	0 0.00
Baileyville Utilities District	0 0.00%	0 0.00%	0 0.00%	0 0.00%	2 3.10	0 0.00



1992 WATER UTILITY COMPLAINTS  
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COMPANY	SERVICE # / %	MISC. # / %	DISCONNECT # / %	BILLING # / %	# OF COMPLAINTS, COMPLAINTS PER 1000 CUSTOMERS	
					1991 TOTAL	1992 TOTAL
South Berwick Water District	0 0.00%	0 0.00%	0 0.00%	0 0.00%	3 2.77	0 0.00
Vinalhaven Water District	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 2.46	0 0.00
Howland Water Department	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 2.05	0 0.00
*Fryeburg Water Company	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 1.66	0 0.00
*Guilford-Sangerville Water District	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 1.59	0 0.00
Millinocket Water Company	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 1.32	0 0.00
Mexico Water District	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 1.06	0 0.00
Winthrop Water District	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 1.05	0 0.00
Belfast Water District	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 0.63	0 0.00
Skowhegan Water Company	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 0.47	0 0.00
Monhegan Water Company	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 ---	0 ---
1992 Total All Companies	34 40.96%	10 12.05%	14 16.87%	25 30.12%	79	83

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 17 complaints concerning unregulated/partially regulated utilities. All of these complaints were related to telecommunications issues:

AT&T	5
MCI	1
Sprint	5
International	1
Telecharge, Inc.	
Intergetel (AOS)	1
Zero Plus Dialing (AOS)	1
Student Telephone Services	1
Meridian Comm. System	2

There was a decrease of 11 complaints in this category compared to last year. The dramatic decrease was due to an decrease in the number of complaints received against MCI regarding "slamming" (unauthorized switch of long distance service provider) and 1-900 number calls as well as an decrease in the number of Alternative Operator Service (AOS) complaints. Complaints against AT&T went up slightly, increasing by 3 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 decreased by 12 from last year, and the CAD received 5 complaints against Sprint in 1992 compared to 6 in 1991.



## V. YEAR IN REVIEW

### Central Maine Power Rate Design

In 1991, Central Maine Power Company (CMP) began implementing the decision of the Commission in the most recent rate design case, Docket No. 89-068. Rates reflecting the Commission's decision went into effect on December 1, 1991. Between January 15 and May 14, 1992, the Commission received 15 formal complaints and hundreds of letters from CMP customers protesting the overall level of CMP's rates and/or the rate design changes made in 1991. On March 18, 1992, the Commission issued a Notice of Proceeding in Docket No. 92-078 in which the Commission determined that the customer complaints about CMP's rates and rate design had merit and would be investigated along with the Public Advocate's request for a re-examination of the rate stability cap decision in Docket No. 89-068. The Commission had set rate stability caps at 8%. The Public Advocate requested that the caps be set at 4%. In an order issued on August 5, 1992 in Docket No. 92-078, the Commission decided to, among other things, roll back the rate stability caps to 4%,<sup>1</sup> consider expanding CMP's Electric Lifeline Program to include all Residential Time-of-Use customers eligible for the Home Energy Assistance Program (HEAP), investigate CMP's contracts with qualifying facilities, consider whether ERAM should be suspended, conduct a management audit of CMP's management, and undertake a summary investigation of CMP's earnings to determine if a formal investigation of CMP's rates should be initiated.

As of January 1, 1993, the Commission's investigation of CMP's contracts with qualifying facilities (see CMP Fuel

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<sup>1</sup>The Commission later targeted the rollback to the winter months to give additional relief to A-TOU customers during that period.

Clause Section) and the management audit of CMP are underway. The Commission will decide whether or not to suspend ERAM accruals on or before February 11, 1993. In the fall of 1992, the Commission expanded eligibility for the Electric Lifeline Program for all three major electric utilities to include all customers who qualify for HEAP.

On December 29, 1992, Central Maine Power Company filed a notice informing the Commission of its intent to file a rate case on or about March 1, 1993. The Company also notified the Commission of its intent to file for emergency rate increases should the Commission decide to terminate ERAM accruals on February 11, 1993.

Central Maine Power  
Fuel Clause

On April 3, 1992, CMP filed a petition with the Public Utilities Commission requesting an increase in the fuel clause of \$38.7 million. The Company also requested other adjustments to rates in the amount of \$9.3 million. On July 16, 1992, the Commission issued an order authorizing CMP to increase rates overall by 2.75% or \$22.5 million. This increase included an increase in the fuel clause of \$13.2 million and the \$9.3 million in other adjustments mentioned above. The rate increase was effective September 1, 1992. In deciding this case, the Commission considered (1) the condition of the economy and the ability of ratepayers to absorb any current increase; (2) the Company's cash flow requirements; (3) the level of future increases which may be necessary; and (4) the impact of this decision now on the level of rate increases that must be made in the future. The Commission decided to phase-in or "smooth" the remaining purchased power cost over an extended period of time.

The Commission's investigation of CMP's contracts with qualifying facilities, mentioned above, is being carried out as Phase II of this case.

Central Maine Power  
Company Incremental  
Energy Rates

On December 6, 1991, Central Maine Power Company (CMP) filed rate schedules for a new rate, Rate GS-SP, which would have provided electricity to certain customers with incremental usage at a rate equal to CMP's marginal energy cost plus \$ .005/ kwh. This case was assigned Docket No. 91-344. During the first several months of 1992, the Commission explored CMP's proposal, and the proposals of its Advocate Staff and other parties, for rates and terms to encourage electricity sales which would be beneficial to all CMP's ratepayers. On January 16, 1992, the Commission accepted a Stipulation among the parties to Docket 91-344 which allowed for incremental energy sales at a discounted rate to Sugarloaf Mountain Corporation. On March 31, 1992, the Commission approved a contract which allowed for incremental energy sales at a discounted rate to AIRCO Industrial Gases. On June 2, 1992, the Commission approved a new rate schedule for CMP, Rate IES, allowing CMP to sell electricity at rates significantly lower than its traditional rates thereby encouraging customers to buy electricity that they may not have bought at the regular rates. For administrative purposes, and because service under Rate IES is interruptible, availability is limited to larger customers. Rate IES is designed to cover the marginal costs of serving the incremental electricity usage and to provide a contribution of \$.015/kwh to CMP's fixed costs. This contribution will benefit all of CMP's ratepayers by keeping their rates lower than they otherwise would be. CMP is currently selling a total of approximately 15 MW of incremental load to four of its largest customers: AIRCO

Industrial Gases, Sugarloaf Mountain Corporation, Sunday River Ski Corporation, and Champion International Corporation.

In addition, CMP has continued to sell excess or "dump" energy to Champion International Corporation and International Paper Company. Pursuant to authorization granted by the Commission in 1991, CMP can sell up to approximately 54 MWH per hour of energy to these customers to replace energy that these customers would otherwise generate themselves. Oftentimes, these purchases are of energy CMP would otherwise have to "dump" at a loss to the New England Power Pool. The rates for this self-generation replacement energy are designed to induce Champion and IP to make these electricity purchases, to cover CMP's costs of providing the service, and to provide a contribution to the fixed cost responsibility of CMP's other ratepayers.

Bangor Hydro-Electric  
Company Customer  
Recovery, Competitive  
Energy, and Incremental  
Energy Rates

On December 31, 1992, the Commission approved a Stipulation among Bangor Hydro-Electric Company (BHE), the Commission Advocate Staff, and the Public Advocate which allowed BHE to provide a Customer Recovery Rate, a Competitive Energy Rate, and an Incremental Energy Rate. The Customer Recovery Rate will be available to particular customers in financial distress who would otherwise have to cease or substantially reduce normal operations in BHE's service area. The Competitive Energy Rate will be available to particular customers who have a realistic, competitive alternative to electricity and who would otherwise not purchase this electricity from BHE. The Incremental Energy Rate will be available to particular customers who will purchase electricity from BHE that they would not have

purchased at Bangor Hydro's traditional retail rates.

All three of these new rates, which reflect discounts off BHE's traditional rates, are designed to encourage electricity sales under specified conditions in a manner and at rates which would benefit all BHE ratepayers.

Maine Public Service

On June 2, 1992, Maine Public Service Company (MPS) filed a base rate case requesting an increase in revenues of approximately \$4.3 million dollars or 9.8%. On September 25, 1992, the Company, the Commission Advocate Staff, the Public Advocate and John Martin filed a stipulation agreeing that Maine Public Service Company's revenues should be increased by \$1.85 million or approximately 4.2% effective November 1, 1992. On October 14, 1992, the Commission issued an order approving the stipulation.

Eastern Maine Electric Cooperative

In August of 1987, the Eastern Maine Electric Cooperative (EMEC) declared bankruptcy as a result of its investment in the Seabrook Nuclear Power Plant. On September 11, 1992, EMEC filed notice of its intent to file a rate case. The rate case was filed with the Commission on December 3, 1992. The filing was also made in compliance with the Commission's order in Docket No. 91-194 requiring EMEC to file Chapter 120 information. The filing is the mechanism through which EMEC and other parties are proposing to resolve the Chapter 11 proceeding under the U. S. Bankruptcy Code.

EMEC's proposed rate filing is designed to produce an increase in annual base revenues of approximately \$1.9 million. This base rate increase would be offset in part by a proposed decrease in purchase power costs due to an amendment

to EMEC's power purchase agreement with the New Brunswick Power Commission. The settlement agreement in the bankruptcy proceeding would require that most of the revenue generated by the rate increase be set aside in a separate account and used to amortize EMEC's indebtedness to the Massachusetts Municipal Wholesale Electric Company (through which EMEC invested in Seabrook) over a period of 10 years. The settlement agreement would leave EMEC intact as a separate entity and would resolve all other outstanding matters relating to the bankruptcy proceeding.

Long Term Costs/Pricing Structures (CMP)

In an Order dated November 20, 1992, in Docket Nos. 89-068 and 92-078 the Commission indicated its intent to initiate a proceeding to examine CMP's long term costs and pricing structures. In the Order the Commission related CMP's assertion that the long term cost relationships have changed since the Commission issued its rate design order in Docket No. 89-068. CMP alleges the current excess capacity situation is not only a short term phenomenon but is expected to continue for a period in excess of ten years. The Commission went on to say that it would initiate an avoided cost type proceeding in order to assess generation, transmission and distribution costs. After assessing such cost factors, the Commission would then address the issues of intraclass cost allocations in a rate design proceeding. On December 8, 1992, the Commission formally initiated an investigation into CMP's resource planning, rate structures and long term avoided and marginal costs including long term generation, transmission, distribution and customer related costs. While the Commission determined that the best forum to address these matters is a resource planning/avoided cost proceeding, the nature of this

proceeding as outlined in the order of December 8, 1992 will differ from past avoided cost proceedings in that the appropriateness of existing rate structure policies and load building strategies will be at issue. The investigation will include an examination of the following matters:

- (1) CMP's resource plans and planning processes, including appropriate planning horizons and the impact of the Clean Air Act Amendments of 1990;
- (2) Amounts and duration of excess capacity and the future market for capacity in Maine and New England;
- (3) CMP's long term avoided and marginal costs, including an in-depth examination of future generation, transmission, distribution and customer costs;
- (4) The variation of CMP's long-run average total cost as a function of output, including an examination of whether the electric industry in Maine has become a declining cost industry; and,
- (5) The relationship between CMP's long term avoided and marginal costs and projections of the retail price of electricity.

The purpose of this investigation is to fully examine CMP's long term costs and their relationship to usage and prices and to specify any implications for CMP's resource planning activities and general rate structure policies. This proceeding will not implement any specific rate design changes. If any changes are appropriate, they will be implemented in subsequent proceedings.

The December 8, 1992 order directed CMP to file a series of materials and prefiled testimony by February 15, 1993. This proceeding is expected to be concluded by the end of 1993. A detailed schedule of hearings has yet to be established.

### Fuel Conversion

On June 4, 1991, An Act to Require Electric Utilities to Develop Proposals for Affordable Pricing for Low Income Customers and for Financing Conversions from Electric Space Heat was signed by the Governor for effect on October 9, 1991. On August 22, 1991, the Commission ordered the three major electric companies to file proposals for cost effective conversion of electric space heat systems to systems relying on other fuels. The Commission directed the proposed program should be cost effective using the criteria set forth in Chapter 380 of the Commission's rules. Bangor Hydro-Electric filed a proposed pilot fuel conversion program on November 13, 1991. On November 15, 1991, Central Maine Power and Maine Public Service filed presentations contending that any potential fuel conversion program would not be cost effective.

On March 25, 1992, by Joint Resolution of the House and Senate, the Legislature urged the Commission to attempt to implement fuel conversion programs consistent with Public Law 1991, Chapter 253 "prior to the next heating season".

By Procedural Orders issued on July 28th and August 7, 1992, the examiners split the case into two phases. During Phase I, the parties were directed to attempt to negotiate fuel conversion programs for implementation during the winter of 1992-93. Phase II of the case would be devoted to the full litigation of the cost effectiveness of fuel conversion programs. The parties were not able to

stipulate to a program for this winter season, but some parties proposed one or more pilot programs that could have been implemented before the end of this season. Because of design defects and the excessive cost of each of the proposed pilot programs and because each of the proposed programs would have had a deleterious impact on rates, the Commission did not approve a program for the 1992-93 winter season. As a result, the Commission and the parties will move on to Phase II, the full litigation of the cost effectiveness of fuel conversion programs. Phase II will likely continue through 1993 and into 1994.

In addressing Phase I of this case, the Commission found that this was solely a Chapter 380 proceeding, rejecting any implication that the Commission should judge fuel conversion proposals on broader grounds, such as their low income dimensions. The Commission indicated the parties who wish to pursue fuel switching as a low income program should do so in the appropriate proceeding. Finally, the Commission indicated that in Phase II of this proceeding it might well be useful to use existing data rather than pilot programs to evaluate the cost effectiveness of fuel conversion programs. In this regard, the Commission directed CMP to submit a research plan by February 1, 1993 for investigating the relative costs and benefits of fuel conversion alternatives, using surveys to determine actual installation costs incurred by its customers in recent conversions, along with on-site engineering estimates and bill analyses to determine heating oil, electric load reductions and fuel requirements. CMP's final research report will be due five months later.

Conservation Programs  
(Electric)

1992 saw a number of interesting developments in the development and implementation of utility sponsored energy conservation programs.

Central Maine Power Company initiated a geographically targeted marketing pilot program with a goal of reducing the peak demands on a heavily loaded portion of their distribution system. Reducing the distribution peaks will allow the utility to delay or avoid entirely the expense of system upgrades. In another docket before the Commission, CMP was permitted to create a subsidiary which would allow the Company to pursue business opportunities in the field of demand side management and related fields, such as least cost planning.

Bangor Hydro-Electric Company in 1992 implemented two energy conservation programs which were allowed into effect late in 1991. The Commercial Lighting Incentive Program (CLIP) and the "Great Light Switch" program target commercial and residential lighting users respectively. The Company's Payload Program, a third party conservation bidding program was allowed into effect in February 1992. Two bidders were selected to provide conservation services to both residential customers and to commercial and industrial customers. The 68,000 Megawatt hour annual energy savings proposed by the winning bidders will provide enough energy for 10,200 of the utility's average use residential customers.

The economic recession Maine is experiencing has affected the cost effectiveness of energy management programs. Decreased sales and lowered forecasts of future sales have caused the utilities to increase the number of years in their resource plans before which they expect to add any capacity. Energy resource plans are used to compute avoided costs and the reduced

need for capacity has had the effect of lowering avoided costs. The analysis of the economic efficiency of conservation programs relies on avoided costs, lowered avoided costs means reduced program cost effectiveness. As a direct result of lowered avoided costs, CMP filed to suspend two of its load management programs in 1992.

Extended Area  
Telephone Service

Extended Area Service, or "EAS", is a method used to expand a telephone customer's toll-free calling area. The major metropolitan areas of the state (Portland, Augusta, Bangor) obtained EAS with surrounding communities many years ago when Commission policy and telephone technology were different. When an operator was needed for toll calls, for example, EAS might even be less costly. This changed in the mid-1970's. From then until 1988, the Commission responded to EAS requests by determining the extra cost to expand the calling area and by polling customers in the affected area to determine if a majority wanted the change. The EAS requests after 1978 were almost uniformly rejected by the customers. As a result, there are large discrepancies concerning EAS in the State. Some customers have large EAS calling areas. Many customers have none. In 1988, the Commission opened an EAS investigation to find better ways of meeting customer needs and a fairer statewide solution to determining basic service calling areas. In 1990, optional calling plan trials were implemented in selected areas throughout the state.

In 1991, the parties in the EAS investigation analyzed the trials to determine their costs and how well they were meeting customer needs. The Commission also developed a computer database of current calling areas and how they would change if calling areas were based on mileage or other parameters.

The EAS trials ended in mid-1992 at which time the Commission opened a new docket on Basic Service Calling Areas. At the Commission's request, telephone companies provided calling pattern information about areas their customers frequently call and what it would cost if the State had more uniform local calling areas based on geographic boundaries.

In November the Commission gave interested persons in the case until January, 1993 to comment on the geographic approach and to submit alternative proposals for consideration. After the Commission has reviewed the comments and any additional proposals, the public will have an opportunity to comment on the more practical and workable proposals. The Commission will then draft a formal proposed rule and seek further comments from the public.

New England Telephone  
Rate Design

In May of 1992, the Public Utilities Commission initiated an investigation of how New England Telephone Company (NET) calculates toll call rates, basic monthly rates and other telephone services. The purpose of this investigation is to match telephone toll rates more closely to the cost of providing toll service and to assure that the basic monthly rate of each customer class matches as nearly as possible the cost of serving that class. As with all rate design cases, this investigation is not designed to produce any additional revenues for NET.

As part of this case, on July 6, 1992, NET filed a proposal to restructure its rates. Two of these changes would affect all residential customers:

- (1) NET has proposed to lower toll rates about 15% for intrastate toll calls to locations more than 10 miles away and to eliminate

the automatic volume discount currently provided residential and business customers. If this 5-15% automatic discount were eliminated, most residential customers would not receive the full 15% reduction in toll charges because they are now getting a discount on intrastate toll charges when the monthly toll charges exceed \$15.00.

- (2) NET has also proposed a \$2.96 increase in the basic monthly residential rate. This would be a 25% increase on the average \$11.89 basic monthly rate.

Hearings in this case are scheduled in June and July with a decision due in September of 1993.

Pine Tree Telephone  
Rate Case

This case was initiated as a result of a complaint petition by Neville Woodruff and several customers of Pine Tree Telephone Company pursuant to 35 M.R.S.A. §1302. As a result of that complaint, the Commission staff filed a letter on December 13, 1990, recommending that the Commission formally investigate Pine Tree Telephone Company's rates, revenues and management practices. In support of this recommendation, the staff stated that Pine Tree's excess earnings were as much as \$924,447 based on a review of Pine Tree's 1989 Annual Report.

The Commission concurred with the staff's view that further investigation was warranted and issued an order on February 4, 1991 requiring the Company to file the information listed in Chapter 120, §5 of the Commission's Rules for the purposes of conducting a general rate investigation. On October 7, 1991, the Staff, Pine Tree and the Public Advocate submitted a stipulation on the revenue requirement issues. The

stipulation called for an overall revenue reduction of \$405,000. On November 19, 1991, the Commission rejected the stipulation saying in part, "we reject the stipulation because in our view the stipulated revenue reduction is too low given the information with which we were provided". On May 15, 1992, the Commission issued an order resolving the revenue requirement and extended area service (EAS) issues. The latter had been the subject of complaints during the public hearing and a ten-person complaint that was consolidated with the revenue requirement investigation. In its May 15th order the Commission found that Pine Tree Telephone was over-earning and must therefore reduce its revenues by \$720,910. The Commission also found that the excessive revenues were to be used by Pine Tree to accomplish the following rate design objectives: termination of touch call and mileage charges, expansion of Pine Tree's two-way calling area, and, with any remaining revenue, provision of enhanced toll discounts to certain non-contiguous calling areas. Part II of the Commission's final order was issued on June 4, 1992, stating the factual findings underlying the Commission's conclusions and how the parties should proceed in implementing the directions in the order relating to extended area service. Pine Tree has appealed this order to the Law Court, where it is currently pending.

Hampden Telephone  
Investigation

On October 20, 1992, the Commission issued an order based on the results of a summary investigation initiating a formal investigation on the following matters relating to Hampden Telephone Company:

- (1) The Company's affiliated interest transactions;

- (2) The Company's insider transactions; and,
- (3) The Company's management and accounting practices.

The Commission indicated as part of the investigation it will determine if Hampden Telephone Company has violated the provisions of 35-A M.R.S.A. §§707, 709, 703, 501 et seq. and based on this determination what penalties, if any, or other remedies should be assessed against Hampden Telephone Company, its affiliated interests and its insiders. This investigation may or may not result in an overearnings investigation to be instituted at some later time.

Portland Water District  
Rate Case

On June 14, 1991, the Portland Water District filed with the Commission, pursuant to 35A M.R.S.A. §6104, a proposed increase in annual revenues of \$2,489,421 or 24.6%. The proposed increase was driven principally by Safe Drinking Water Act construction. On August 14, 1991, a petition signed by over 1,750 of the District's customers was filed with the Commission asking the Commission to investigate the rate increase. On September 12, 1991, the Commission issued a Notice of Investigation indicating that the Commission would suspend, investigate and review the proposed rate increase in accordance with Section 310. A Notice of Investigation also consolidated the proposed rate increase with a ten person complaint that had been filed with the Commission on July 17, 1991. That complaint alleged that the District's rate design that allowed City (Portland, So. Portland and Westbrook) customers to pay less than all the other (town) customers was unreasonable and unfair. The complainants argued that the city/town differential should be eliminated in favor of single tariff pricing for all municipalities.

A stipulation signed by the District and the Staff proposing to resolve all issues regarding the revenue requirement proceeding was filed with the Commission on February 7, 1992. A hearing on the Stipulation was held on March 5, 1992. Parties agreed that the District's revenue requirement should be increased in two steps. The first step would provide revenues of approximately \$12,143,412, representing a 17% increase in rates. Step 2, to take effect in November, 1992 would provide revenues of approximately \$13,853,412 representing a 13% increase in revenues. The Commission approved the Stipulation on April 27, 1992.

With regard to the rate design issues, and particularly the city/town differential, the Commission ordered that the 17% Part One increase be implemented as follows:

- (1) Public Fire Protection Rates were kept at existing levels;
- (2) Private Fire Protection Rates were increased 17%;
- (3) The rates of the District's general metered customers in the city division were increased 21.4817%; and,
- (4) The rates of the general metered customers in the town division were increased 17.3324%. This differential reduction was ordered to reflect the Commission's conclusion that while the city/town differential is still cost justified, the effect of the Safe Drinking Water Act and related improvements would result in a convergence between the rates paid by city and town general metered customers. The reduction in the differential, therefore, is

consistent with the adjustment provision of 35-A M.R.S.A. §6105(4)(f) and the Commission's obligation to assure rate design stability.

### Consumer Assistance

Winter Disconnection Rule. As was the case in 1990 and 1991, the Commission received requests for exemptions from its Winter Disconnection Rule from all three investor-owned electric utilities for the 1992-93 winter period. The requests for exemption from Bangor Hydro-Electric Company and Maine Public Service Company granted for the winter of 1992-93 are the same as those exemptions granted the prior two years. The Commission carefully reviewed these companies' implementation of their winter rule exemptions and determined that low income customers retain rights and protection equal to or exceeding those granted to them by the Commission's winter disconnection rule. In both cases, the utilities have certain rights to initiate a complete disconnection during the winter without permission of the Commission's Consumer Assistance Division. The Commission will continue to monitor the implementation of these winter rule exemptions and to respond immediately should the need arise. In all cases all customers have the right to appeal their disconnection to the Consumer Assistance Division and seek Commission review of their individual dispute with the utility. CMP continues to be required to seek permission to disconnect a customer during the winter period when the Commission's winter rule so requires. The exemptions granted to CMP do not affect this basic underlying process and were designed to stimulate certain administrative efficiencies in the collection process.

Low Income Electric Rates. Pursuant to LD 1428, An Act to Require Electric Utilities to Develop Proposals for Affordable Pricing for Low Income Residential Customers and for Financing Conversions, Public Law 1991, Chapter 253, the Commission initiated an investigation into low income electric rate programs involving the three investor owned electric utilities. The Commission approved programs for all three utilities in October 1991. In 1992, the programs at all three utilities were expanded to serve all residential customers who qualify for fuel assistance (Home Energy Assistance Program). However, the Commission determined that each utility should spend no more than .5% of its revenues on the low income program. This required a change in benefits to accommodate the expected increase in enrollment.

At Bangor Hydro-Electric Company (BHE), all low income customers with incomes at or below 75% of the federal poverty guidelines will receive a rate discount equal to a 25% reduction in rates for usage in excess of 250 kilowatt hours. Customers between 75-150% of poverty guidelines will receive a 13% discount for usage in excess of 250 kwh.

Maine Public Service Company's (MPS) program will reward customers with a credit on their bill in the spring if they have kept the terms of their payment arrangement over the winter. Customers at 75% or below of the poverty guidelines will receive a credit of \$150; customers with incomes between 76% and 100% of poverty guidelines will receive a credit of \$125; customers with income between 101% - 125% of poverty will receive \$100; and customers with income between 126-150% of poverty will receive \$75.

Central Maine Power Company (CMP) has instituted a more complex but potentially more targeted and cost effective program, called the Electricity Lifeline Program. CMP's program will target all customers who are eligible for HEAP and whose CMP bill exceeds a reasonable percentage of their household income. Customers will receive a monthly credit on their electric bill that will be calculated based on both their income and their usage. Those customers with an extremely low income and a high usage will receive a higher credit on a monthly basis than those who have a higher income and a lower usage. The customer's credit will be calculated in such a way that the expected bill that remains will equal from 5% to 10% of the household's annual income for customers with income below 75% of poverty and 6.2% to 11.1% of income for customers between 75-150% of poverty guidelines. The customer will remain responsible for usage in excess of that covered by the credit on the bill. In addition, the customer will be required to accept all no cost energy management services and to select CMP as the recipient of the customers HEAP benefit when the household usage equals or exceeds 12,000 kilowatt hours, usually associated with the presence of electric baseboard heat.

In all cases, these programs will be reviewed prior to their continuation or modification in the fall of 1993. The Commission has authorized the three utilities to defer the reasonable costs associated with these programs and to include those costs that exceed any benefits in the utilities' next request for a base rate increase.

Telephone Outreach Programs for Lifeline/Linkup. The Commission has stimulated the development of outreach programs by all telephone companies in order comply with the mandate of L.D.

1698, An Act to Promote Participation in Affordable Telephone Service. The Telephone Association of Maine (TAM), representing all 18 Maine local exchange service companies, has developed a statewide outreach program in cooperation with the Department of Human Services which operates six out of the seven programs that qualify a household for Lifeline and Linkup, and the Maine Community Action Association, composed of the CAP agencies which implement fuel assistance or HEAP. TAM's outreach program was initiated in January, 1992. As of October 31, 1992 the telephone companies had enrolled 8,200 new customers in the Lifeline program, resulting in the participation of 63,588 customers statewide. This is a 15% increase in participation compared to 1991. The Commission will continue to carefully monitor this program.

## 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.