

MAINE STATE LEGISLATURE

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MAINE PUBLIC UTILITIES COMMISSION

ANNUAL REPORT

February 1994



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INTRODUCTION

Comments from the Commissioners

Our change in format for our Annual Report - to make it more readable - echoes the changes in the industries we regulate. These industries are virtually all in the throes of transition from traditional monopoly to competition. Competition is having an increasing impact on the electric industry. Expanded competition and new technology will continue to drive changes in the telecommunications industry. Partly in response to these forces, the Commission is exploring new ways to regulate the electric and telecommunications utilities for the benefit of both customers and stockholders. The Commission is also making unprecedented efforts to improve its internal organization and processes. We are working with all

interested parties to enhance communications and interactions.

All of these activities have made 1993 an interesting, challenging and stimulating year. At the same time, the Commissioners recognize that these efforts have placed an enormous burden on the Commission staff. While we have tried to ease the burden, we know that additional steps must be taken to ensure that our staff work at a sustainable pace, spend time with their friends and families, and are able to improve themselves professionally.

We take this opportunity to publicly thank our staff for their extraordinary and selfless efforts during 1993. This report reflects their work.

Thomas Welch, Chairman
Elizabeth Paine, Commissioner
William Nugent, Commissioner

Thoughts from the Chairman's Desk

Virtually all of the parties that appear before the Commission these days pay homage to the principle that prices for utility services should enhance, or at least not harm, the economic health of the State. Most parties also recognize that sound pricing policy is especially important now because economic rivalry between Maine and its neighboring states is increasing, and industrial, commercial and residential customers are responding to the new opportunities opened by competition.

Agreement on broad principles, however, does not guarantee agreement on how to achieve the benefits promised by those principles. Any attempt to achieve sound pricing policy must do more than wave the banner of textbook theory. At the Commission, we must recognize that the process of regulated utility pricing is itself a product, one that must satisfy customers in its particular geographic, historical and political markets.

Our ability to satisfy our customers is influenced, in part, by the results of decisions that have been made in the past. Let me say at the outset that I see no particular value in assigning responsibility for choices that have been made. More important to me is the level of creativity all of us bring to the process now and the degree to which we can avoid decisions

today that will burden ratepayers in the future.

First, in the late 1970's and early 1980's Maine chose to develop aggressively alternative sources of electric generation, which lead to the execution of many substantial QF contracts. For reasons familiar to everyone, the value of these contracts now far exceeds the value of the electricity to the utility and almost certainly exceeds, for at least some contracts, the economic cost of producing that electricity. When coupled with the current New England-wide surplus of available electricity, the effect of these contracts is to create pressure on electric rates that may have ripple effects, mostly undesirable, on both the economic and environmental health of our State.

Second, over the past two decades, the telecommunications monopoly has been dismantled through legislative and judicial action. Because the costs of providing services have declined, forced down by technology and competition, there appears to be a growing reservoir of telephone utility investment that would remain unrecovered if all services were priced at their marginal cost. The particular pricing problem we face is that other firms are likely in the near future to enter the market for all telecommunications services, including

local exchange services, with prices that reflect neither substantial embedded investments nor obligations to serve the entire community.

Against this background, the emergence of competition has become a salient feature of the Maine utility pricing landscape. It seems to me that any regulatory approach that does not deal explicitly with the impacts of competition is doomed to failure. Where there is real competition, any policy that results in a price in excess of the economic price of producing the unit of telecommunication service, electricity, or anything else, will likely create an undesirable price umbrella for competitors and push existing customers to a competitive service.

Some customers will not have real competitive alternatives for the foreseeable future. The regulatory response to competition thus needs to be targeted as narrowly and precisely as possible. If the response is targeted too broadly, ratepayers without alternatives may be faced, under traditional regulation, with unreasonable and unjustified increases in their rates to balance the lower rates available to those who do have alternative. On the other hand, if the response is too narrow, and utilities are prevented from meeting real competition with prices relatively unburdened by common overhead, subsidies and the cost of social policies, the cost ultimately imposed on the utilities' captive customers may be even more onerous.

The Commission must also remain sensitive to the relationship between utility regulation and the broader public policy area. There is a

history in Maine of very substantial public sensitivity to utility issues. Indeed, the Legislature has demonstrated a willingness to become involved in the specifics of utility pricing. I do not believe there is anything pernicious in this level of public awareness or in the participation of the Legislature in the regulatory process. I do believe, however, the stability and success of any approach to regulation will depend to a significant degree on broad public acceptance. Pricing models that adhere slavishly to economic principles but ignore the near term financial impacts on customers are likely to be overthrown. On the other hand, consumers and businesses may be willing to pay a modest near-term price for long-term benefits to the extent that those benefits can be satisfactorily explained and justified.

All of this points to the need for utilities regulators and public policymakers to undertake a rapid and thorough examination of how we are achieving our objectives. For these reasons and others, the Commission will undertake in the next year an examination of price cap regulation for Maine's telephone and electric utilities. We are exploring price caps in particular because, at least in my view, customers tend to be much more interested in price and quality than in the profitability of the provider. I also believe that the more a utility has to respond to competitive pressures the more it should be subject to risk and reward that may be reduced by traditional rate of return regulation but enhanced by price caps.

Our exploration of the benefits of new forms of regulation, however, will be accompanied by an honest assessment of whether the same benefits are likely to be achieved under more traditional models. Moreover, if Maine's experience with QF contracts has taught anything, it has taught us that an untempered faith in today's view of the future can be a very dangerous thing. I cringe when presented with estimates of inflation, oil prices, or virtually anything else when those projections run 10, 20 and even 30 years into the future. Any new regulatory model should therefore be tested under a very broad set of alternative assumptions to insure the expectations created by one model over another are not shattered by

unpredictable economic and geopolitical events. It is the responsibility of all who seek to change the status quo to explain and justify the reasons for change to those, including customers and legislators, who must be satisfied that our collective course is true.

I continue to have great confidence that my fellow Commissioners, and our able and dedicated staff, will be up to the challenge of conforming regulation to meet the needs of the present and future without sacrificing the important objectives of fairness and protecting the public interest.

YEAR IN REVIEW

COMMISSION RESPONDS TO UPWARD PRESSURE ON ELECTRIC RATES

In response to significant increases in electric rates in recent years, the Commission in 1993 initiated and concluded several actions designed to address this problem.

First, the Commission initiated a management audit of Central Maine Power Company (CMP) to review its management practices and determine whether or not the Company is being managed efficiently. The audit was completed in early summer and its findings were incorporated in the pending CMP rate case proceeding.

Second, the Commission initiated an investigation of Central Maine Power Company's management of its contracts with qualifying facilities (QF's). The Commission concluded the company had not negotiated aggressively on behalf of customers in its management of two QF contracts, and, as a result implemented a \$4 million downward adjustment to the Company's return on equity in the rate case. The Commission has directed CMP to file information on other contracts, and the investigation will continue in 1994.

Third, the Commission very carefully examined the company's request for a rate increase. The Commission held six public witness hearings from Wells to Belfast and received hundreds of letters and telephone calls from customers concerned about CMP's request. In its

decision, the Commission found that CMP's request for an increase in rates of \$83.5 million or 10% was unreasonable. The Commission approved a rate increase of approximately \$26 million or 3%. An important part of the Commission's decision was its conclusion that CMP was spending \$25.3 million more per year than it would if it were efficient - a finding based on the management audit. The decision will give CMP the opportunity to earn a return on equity of 10.55%. The adjustment imposed by the Commission on the company's return on equity as a result of the QF investigation has been stayed by the Law Court pending a decision on the company's appeal of the Commission's decision.

The Commission also directed that a follow-up proceeding begin immediately to examine alternate rate plan or rate cap proposals.

Fourth, the Commissioners approved special rates for Central Maine Power Company and Bangor Hydro-Electric Company that permit reduced electric rates for industrial customers who, based on those reduced rates, are able to increase their electrical consumption. These "incremental energy sales" provide additional revenues to the Company, use up some of the surplus capacity currently available, and, therefore, benefit all ratepayers. Incremental energy contracts have been approved

for Sunday River Ski Area, Saddleback, and Keyes Fibre. The Commission was able to grant permission to CMP to enter into a special rate contract with Keyes Fibre in less than two weeks. The Commission has also approved "load retention rates" in circumstances where it is clear a customer will leave the system unless a lower rate is available. For example, the Commission approved a reduced rate for Airco Industrial Gases and thus kept Airco in Maine. The result was a benefit to all CMP ratepayers.

Finally, the Commission undertook an investigation of Central Maine Power Company's long-term plans, costs, and pricing.

The Commission's principal findings in this case were as follows:

1. The major cause of the current imbalance between CMP's average costs and marginal costs is the imbalance in its generation mix, and not some fundamental change in industry cost structures.

2. In certain special situations, CMP should offer temporary rate discounts to encourage greater use of electricity, when such increases in use clearly would not occur without the discount.

3. Broad promotion of load growth through a declining-block rate structure is unlikely to benefit ratepayers.

4. In a subsequent case, the Commission will consider proposals to replace the inclining block rate structure that has been in effect since 1986 for most residential customers with a rate that is uniform over all consumption levels.

A rate design proceeding will be initiated early in 1994 as a follow-up to the long-term cost and price proceeding. This rate design proceeding should be concluded in the fall of 1994.

COMMISSION TO EXPLORE ALTERNATIVE RATE PLANS

In its decision in the Central Maine Power Company rate case, the Commission addressed the issue of alternative rate plans. The Commission indicated it believed the time "is right to assess, in a systematic and focused way, the manner by which CMP's rates will be evaluated in the future." The Commission further concluded that "while we are comfortable with the

broad outlines of an alternative rate plan for CMP, we require additional information before finally adopting a new regulatory plan that will provide both short-term and long-term benefits to the ratepayers of Maine." In the rate case order, the Commission initiated a follow-up proceeding to implement an alternative rate plan. The Commission directed the parties, through negotiation

if possible, to establish the precise parameters of a plan. The Commission listed a series of issues the parties should address. The major issues are as follows: 1) How improvements in

productivity should be passed on to the customers; 2) Customer satisfaction, reliability, and service incentives; and 3) Treatment of fuel and purchased power costs.

COMPETITION COMES TO THE ELECTRIC INDUSTRY

In 1993, a wholesale customer (Madison Electric Works) of a major utility (CMP) went out to bid for its power supply. As a result of this bidding process, Madison Electric Works selected Northeast Utilities Services Company (NU) as a supplier and filed a petition with the Commission for approval of the contract with NU. Kennebunk Light and Power District and Fox Island Electric Cooperative, Inc. went through a similar bidding process, selecting CMP as their supplier. Pursuant to Maine statute, a utility, in order to receive approval from the Commission of a contract with a wholesale supplier, must demonstrate that the power from the proposed purchase is needed, that the resource being considered is the most economical or is part of the utility's least cost plan, and that the timing of the purchase is reasonable. The Commission has determined in an interim order that this three part test will be applied in the Madison case. The Commission will review whether or not the proposed contract with NU is the least costly option for all Madison customers, whether the negotiating and contracting process was reasonably designed to insure that Madison contracted for the least cost source of supply, whether the terms of the proposed contract are the most

economical that could be obtained, and whether or not Madison's preferred energy resource and alternative energy resource plan is reasonable. In reviewing the Madison petition, the Commission will permit the parties to present evidence on potential impacts on the state of Madison's proposed purchase from NU. The Commission will reserve judgment on the weight it will give such evidence until the conclusion of the case. Therefore, in addition to examining the need, cost, and timing, the Commission will consider the comparative economic impacts of the proposed purchase relative to alternative purchases and investments in conservation.

The actions by Madison, Kennebunk Light & Power, and Fox Island follow less formal but significant efforts by Van Buren Light and Power District and Houlton Water Company (Electric Department) to seek other sources of wholesale power. It is clear from these actions that competition in the wholesale electric market has arrived. This development will have a profound impact on the electric industry in Maine and has very significant implications for electric utility customers. The issues raised by this development will begin to be explored in the Madison case.

COMMISSION AUTHORIZES THIRD YEAR OF ELECTRIC UTILITY LOW INCOME PROGRAMS

The Commission authorized Central Maine Power Company, Bangor Hydro-Electric Company and Maine Public Service Company, to operate their low income residential programs for the 1993-94 program year. All three utilities were authorized to spend up to .5% of their revenues for these programs: \$4.2 million for CMP; \$803,000 for BHE; and \$248,000 for MPS. All three programs were evaluated for their operational efficiency and their impact on customer bill payment performance. While no significant defects were identified, the Commission found it difficult to

compare the three utility evaluations. A subsequent technical conference involving the utilities and other parties to the low income proceedings identified a uniform reporting methodology which should greatly improve comparisons between the three programs next year. The Commission also authorized CMP's participating customers to use all or a portion of their Electric Lifeline Benefit for energy reduction services; a remaining issue is whether this type of expense may include fuel switching, a proposal that CMP opposes.

NET REQUESTS RATE DESIGN CHANGES

In 1992, New England Telephone Company (NET) proposed to reduce intrastate toll rates by 8.5% and fund the reduction by increasing residential local exchange rates by 25% or \$2.96 per month.

In addition to the regular hearings, the Commission held four public witness hearings in this proceeding: Presque Isle, Madawaska, Augusta, and Portland. The Commission also received over 220 letters and telephone calls from NET customers regarding the company's request.

In the Examiner's Report issued in December of 1993, the Commission's advisors recommended that the Commission reject NET's proposal because it is "unlawful, unsupported by the record, inequitable, and would result in poor regulatory policy." The advisors argued, in part, that NET's proposal would "contradict the policy enacted by the 1986 citizen referendum directing the Commission to keep local rates at 'as low a cost as possible'." The advisors further stated that NET's approach was a "short sighted" response to competition. Rather than continuing to pursue NET's efforts to lower rates for its competitive services

and raise rates for its captive customers, the advisors recommended that the Commission initiate an incentive regulation proceeding. The purpose of that proceeding would be to develop a regulatory framework that would allow flexibility to respond to the competitive market where it exists but

at the same time maintain rate stability for those customers who have no choice of suppliers.

The Commission is scheduled to deliberate this case in mid February of 1994 with a decision to be issued in writing shortly thereafter.

COMMISSION PUBLISHES PROPOSED BASIC SERVICE CALLING AREA RULE

Principally for historical reasons, there are large discrepancies in the size of basic service calling areas in Maine. Some customers have large calling areas. Some customers cannot call toll free outside their immediate town. In 1988, the Commission opened an investigation of basic service calling areas to find better ways of dealing with customer's calling needs. In 1990, optional calling plan trials were implemented in selected areas throughout the state. In 1992, the Commission requested that telephone companies provide calling pattern information about areas their customers frequently call and cost data on what it would cost if the state had more uniform local calling areas. Parties and interested persons in the case were given the opportunity to comment on geographic and other approaches and to submit alternative proposals for consideration.

In the summer of 1993, the Commission published a proposed rule seeking comments on two alternatives. The first alternative, the "community choice" option, would base local calling

areas on the calling patterns of the community. The second option, the so-called "customer choice" option would give each customer the choice of a ten mile or twenty mile calling area. In both plans, customers could also choose toll free calling in their local community only or maintain the status quo. The Commission held workshops in Old Town, Etna, Belfast, Hebron, Dresden, and Gray and held a public witness hearing and a regular hearing in Augusta. Hundreds of customers attended these hearings and workshops. The central theme of their comments was that they want toll free calling to areas where they shop, work, and where their children go to school. Further, while they understand that this expanded toll free calling area will cost money, they feel very strongly that the increased charges should be moderate. They also want calling areas throughout the State to be about the same size.

The Commission has thoroughly evaluated the comments of the public and is now scheduled to deliberate and publish a final rule in February or March of 1994.

LAW COURT UPHOLDS COMMISSION ON PINE TREE TELEPHONE CASE

In 1992, the Commission found that Pine Tree Telephone was overearning and therefore must reduce its revenues by \$720,910. The Commission also directed that the excessive revenues were to be used by Pine Tree to expand its two way, toll free calling area.

Pine Tree appealed the order to the law court, and in 1993 the

Commission's decision was upheld. Pine Tree also appealed the Commission's decision denying Pine Tree's request to recoup legal expenses from an escrow account established to fund its two-way, toll free calling area. In this instance, the court also upheld the Commission's decision.

HAMPDEN TELEPHONE INVESTIGATION SETTLED

In the fall of 1992 the Commission initiated a formal investigation of Hampden Telephone Company's affiliated interest transactions, insider transactions, and management and accounting practices.

In January of 1994, the Commission accepted a stipulation signed by the parties to this proceeding containing the following major provisions:

1. Hampden Telephone Company has made arrangements with certain employees of the company for the repayment of certain expenses.

2. The company has developed a comprehensive set of written policies and procedures, including a code of conduct, for the management and operations of the company.

3. The company has agreed that for the next two years the annual audit of the company's books and records will be undertaken by qualified certified public accountants selected by the company and subject to the approval of the Public Utilities Commission.

4. The company has agreed to certain limitations on travel and travel related expenditures for a period of two years.

5. The company will file revised rate schedules reflecting an immediate reduction in annual operating revenues by \$5,000 per year. This revenue adjustment will be applied for a period of two years or until its next general rate proceeding, whichever occurs later.

While the acceptance of this stipulation resolves all outstanding issues with Hampden Telephone Company relating to the investigation, the Commission concluded, "The Commission will be closely monitoring management's actions, or any inactions. If the company fails to

comply with applicable provisions of law in the future, particularly those relating to insider and affiliated transactions, we will investigate whether its certificate of public convenience and necessity to do business in Maine should be revoked."

COMMISSION CONSIDERS ELIMINATING CITY/TOWN DIFFERENTIAL IN PORTLAND WATER CASE

Currently pending before the Commission is phase III of a proceeding relating to the request from the Portland Water District for an increase in rates resulting principally from the Federal Safe Drinking Water Act. The central issue in this case has not been the increase in rates, but rather whether or not the Commission would allow the continuation of the city/town rate differential.

The Examiner's Report in this case, issued on January 13, 1994, concluded that, "the city/town differential is not supported by the record in this proceeding because,

1) the district has not established the intradivisional fairness and equity of its rates; 2) existing conditions of service for the district are not determined by the type of municipal organization in which its customers are located; and 3) cost differences between the city and town divisions do not justify a continuation of the differential.

The Examiners recommended to the Commission a five-year phase out of the city/town differential.

This case is scheduled to be deliberated by the Commissioners on January 31, 1994.

COMMISSION ENCOURAGES PUBLIC PARTICIPATION

In 1993, the Commission initiated a wide-ranging and successful effort to encourage public participation in its proceedings and to make that participation more productive for both the public and the Commission. As

part of this effort, the Commission held 19 public witness hearings in the Bangor Hydro-Electric Company and Central Maine Power Company rate cases, the basic service calling area investigation, and other proceedings.

These hearings were publicized using plain language block ads, press releases to the appropriate newspapers and notices to area legislators. These efforts were in addition to the standard procedures of publishing legal notices, sending notice to parties and interested persons, and directing the company to notify customers in bill stuffers. In all, more than 1,000 people attended these public sessions in 16 different communities throughout the State. We also revised the public witness hearing procedure to include a presentation at the beginning of the hearing summarizing the major issues in the case. People attending these hearings were also given the opportunity to ask

questions (and get answers), and many people took advantage of this opportunity.

In the Central Maine Power Company rate case, the Public Advocate and Commission staff provided a briefing for citizen intervenors early in the case to help them participate in the proceeding. In 1994, the Commission plans to publish a "participant guide" that will supplement this effort. Finally, the Commission has begun to issue plain language summaries of Commission decisions that are intended to assist the public in understanding what the Commission did and why it did it.

COMMISSION INITIATES QUALITY MANAGEMENT EFFORT

In 1993, the Commission initiated a comprehensive quality management program. This initiative has been assigned a high priority and sufficient resources to maximize the likelihood of success. The Commission believes the basic principles of quality management -- customer orientation, commitment to quality, continuous improvement, respect for the employee, management by fact, and employee involvement in problem solving -- are sound and hold out the prospect of a more effective and efficient Commission. The Commission expects the long term payback on this investment of time and resources will be substantial and will include improved service to the public, more efficient use of our resources, and, not least of all,

improved working conditions for all of our staff. The Commission's commitment to this program reflects its commitment to producing products of the highest possible quality, its belief that the staff shares this commitment, and its conviction that quality management provides a philosophical framework to assist in this effort.

Even as the Commission is taking its first steps toward quality management, it has undertaken other initiatives to improve its effectiveness and efficiency. First, the Commission has begun an effort with Central Maine Power Company to review day-to-day interactions between the Company and the Commission with the goal of making these interactions more

productive. The first project to be undertaken will be a review of the data request/data response process which in major cases consumes significant resources of the Company and the Commission. Second, the Commission, consistent with state laws recently enacted by the Legislature, has established an aggressive waste reduction/recycling program. The Commission appointed a coordinator and established a waste reduction/recycling committee. Among other things, the committee has established a process to recycle all office quality paper, established a procedure to reuse large envelopes and

mailers, and implemented an ongoing educational process to reduce the amount of paper used and photocopied at the PUC. Finally, the Chairman of the Commission has directed the Administrative Director to develop a plan to reduce the Commission's reliance on outside consultants. The core of this plan will include accelerated staff development to provide the Commission with enhanced in-house expertise. While this project will require some up-front investment in the form of training expenses and time, the Commission expects it will be able to reduce substantially consulting expenditures in the future.

COMMISSION MOVES TO STREAMLINE PROCEEDINGS

In addition to other management initiatives taken in 1994, the Commission has moved to streamline litigated proceedings. The Commission has taken several steps in this regard including consolidating the rounds of hearings to one or two rather than the traditional three, using case management conferences to make hearing time more efficient, using depositions to reduce the burden of hearings and discovery, and providing training for both hearing examiner and advocate attorneys.

In 1993, the Commission sponsored a training session for hearing

examiners conducted by Judges Paul Fritzchie and Donald Alexander of the Maine Superior Court which focused on establishing time limits for cross-examination, avoiding repetitive or unnecessary cross-examination, forcing lawyers to be more prepared, and avoiding use of hearing time for the marking of exhibits, etc. In 1993, the Commission also initiated a roundtable process with parties to the Central Maine Power Company rate design case to discuss ways in which rate design proceedings can be streamlined. This process will continue in preparation for the upcoming rate design case.

**REPORT FROM THE
CONSUMER ASSISTANCE DIVISION**

Summary of Consumer Assistance Division Activities for 1993

The Consumer Assistance Division (CAD) received 5,230 contacts from utility customers in 1993, a 17% decrease compared to last year: 1,273 complaints (-23%), 3,846 requests for information (-16%), 111 referrals to other agencies or organizations (+5%). The CAD also received 11 exemption requests from utilities (-45%). Including the requests for permission to disconnect under the Winter Rule received in 1992-1993 (521), the CAD received 5,751 cases and contacts and by year-end 218 complaints were pending.

Several reasons for the decrease in complaints received in 1993 include: 1) Some utilities are doing a better job handling routine customer complaints, preventing them from reaching the CAD; 2) CMP rate increase and rate design complaints were less; 3) The CAD refused to take repeat cases from customers unless there was a significant change in the customer's circumstances.

There was a decline in complaints received against the major electric utilities during 1993. The complaints received against Central Maine Power Company (CMP) declined 39% in 1993 compared to 1992. Bangor Hydro Electric Company's (BHE) complaints also declined by 39%.

Of the major utilities, New England Telephone Company (NET) is the only utility that showed a significant increase in complaints during 1993. Complaints against NET

increased by 31% in 1993 compared to 1992. This increase can be attributed, in part, to NET's more aggressive collection of past due accounts. The increase was also influenced by NET's lack of an internal company complaint appeal program.

A total of \$151,096 was adjusted or reimbursed to utility customers as a result of CAD investigation or mediation of 103 cases. There were two cases which involved large adjustments. The largest adjustment involved a case with Unity Telephone Company. In that case the CAD's investigation revealed that Unity Telephone had filed tariffs in 1991, which it assured the Commission would not change the Company's rates or rate design. However, these tariff changes eliminated a \$1.50 monthly credit for 464 business customers and a \$1.25 monthly credit for 3,014 residential customers, resulting in a revenue increase of \$4,469 for the Company, effectively increasing rates. The Company was ordered to make \$75,228 in refunds to customers. Another large adjustment resulted from an incorrect customer charge for CMP's A-LM rate. This resulted in a \$17,520 abatement for customers in 1993 and an ongoing abatement of \$4,380 per year.

In 1993 CAD issued 60 violation citations, finding one or more violations of the Commission's rules. This was an increase of 16, or 36% in violation citations compared to 1992. Forty-three of these violations were violations

of the Winter Disconnection Rule, this was an increase of 26, or 153% compared to 1992. Thirty-seven of the Winter Disconnection Rule violations involved CMP, compared to 9 in 1992. Most of the CMP violations were improper due dates on disconnection notices.

CAD received 11 separate requests from utilities for exemptions from Chapter 810 in 1992: 9 were granted and 2 were denied.

There were 27 appeals of CAD decisions received by the Commission in 1993. Of these, 26 were from customers and 1 was from a utility. When combined with the 20 appeals pending from 1992, there were a total of 47 appeals. The Commission declined to begin an investigation in 28 cases, thus, upholding CAD decisions. Two cases were returned to CAD for further investigation and 17 appeals were pending at the end of 1993.

In 1993 the CAD received 521 requests to disconnect residential customers from electric and gas utilities during the period November 15, 1992 through April 15, 1993. Of these requests, 141 or 27% were granted and 380 or 73% were denied. The three largest electric utilities were granted specific exemptions from the winter rule as part of an overall program to increase contacts with customers during the winter period.

The CAD and utilities initiated a number of actions to address generic causes of complaints:

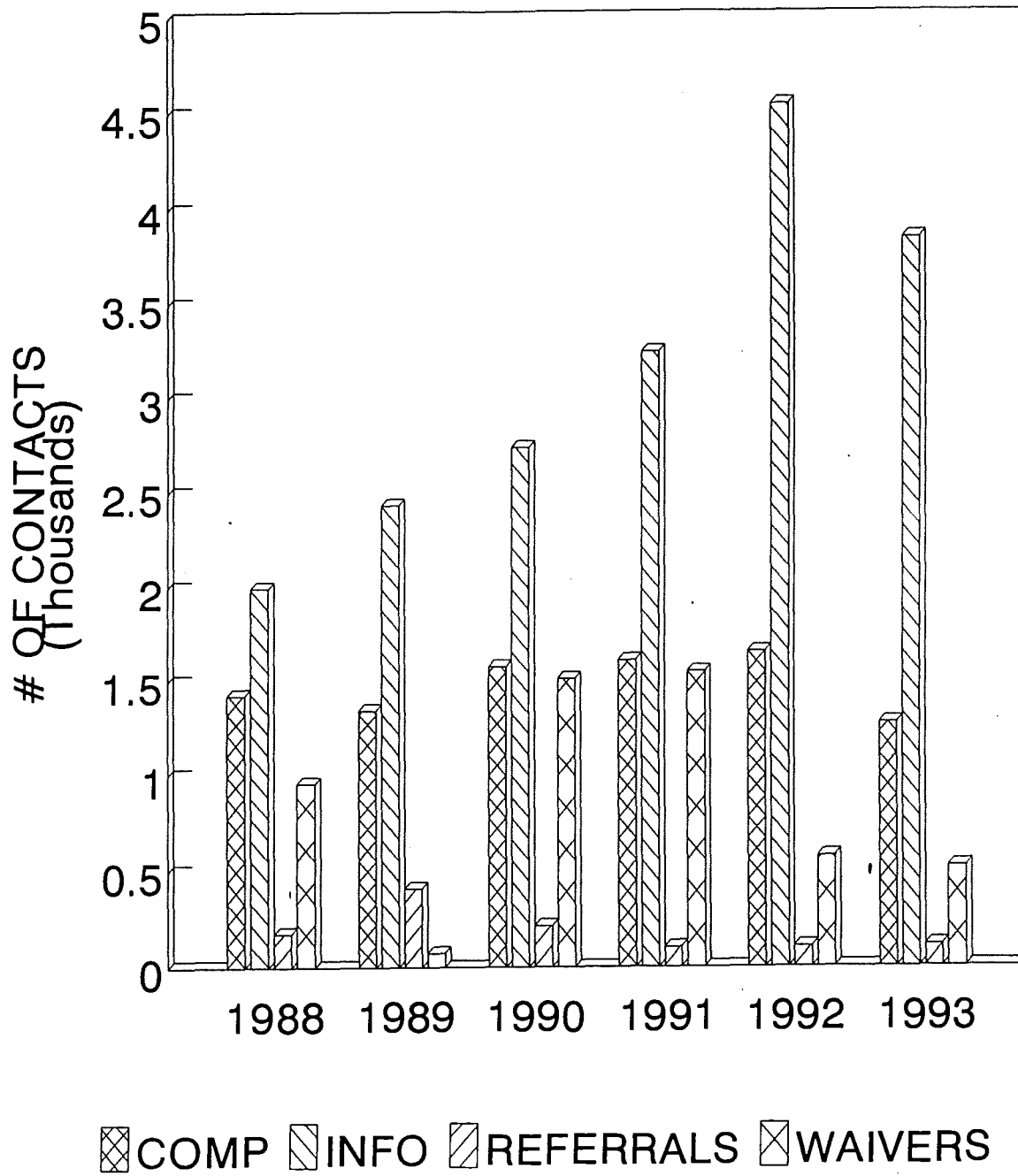
(1) CMP instituted a formal internal appeal process for customer complaints and issued new guidelines to its customer service representatives to better empower them to resolve disputes;

(2) High bill complaints from CMP customers were reduced after the CAD documented CMP's failure to routinely give customers the right to witness meter tests and the inconsistent use of CMP's own procedures to investigate high bill disputes. CMP reviewed and reformed their policies and procedures.

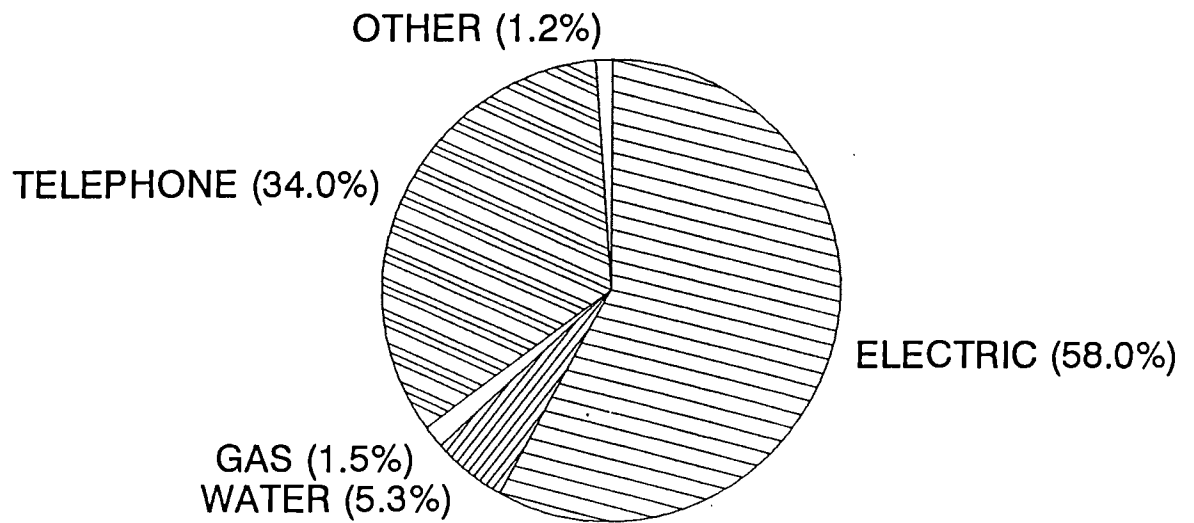
(3) After meeting with NET representatives in late 1993 to review CAD's analysis of NET customer complaints, NET agreed to improve the information provided to the CAD when a complaint is filed and to consider the establishment of a more formal internal appeal process for complaints in 1994. NET also agreed to analyze the effectiveness of the mandatory toll block program as an alternative to disconnection for customers who repeatedly break payment arrangements.

(4) Several utilities have changed their bills and letters to highlight the utility's phone number rather than the CAD's to prevent calls to the Commission from customers who thought they were calling the utility.

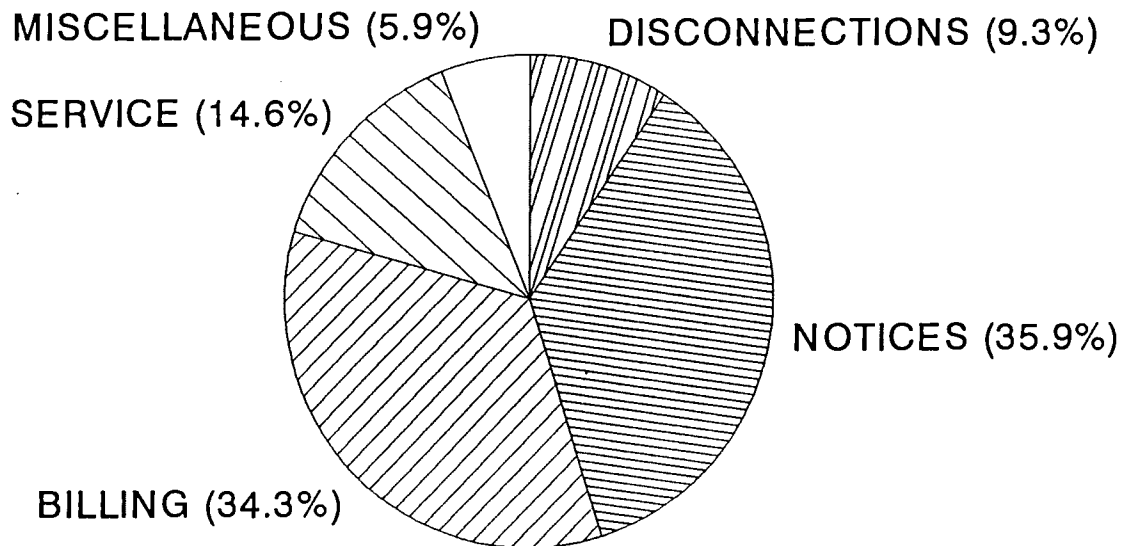
CAD CONTACTS 1988-1993



CLOSED COMPLAINTS – 1993
UTILITY TYPE



CLOSED COMPLAINTS – 1993
COMPLAINT CATEGORIES



APPENDICES

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 FY93, a Regulatory Fund of \$4,918,000. 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 section.

All references in this section are to fiscal years - July 1 to June 30. 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 FY93.

1. Fiscal Year 93

In FY93, the Commission expended approximately \$3.9 million regulating more than 200 utilities with gross revenues exceeding \$1.51 billion. Exhibit A summarizes Regulatory Fund activity and activity in other funds administered by the Commission. Exhibit B details FY93 expenditures by line category.

Regulatory Fund

The authorized Regulatory Fund assessment for FY93 was \$4,918,000. The actual amount billed to utilities was reduced by \$373,517 using the balance brought forward from FY91 and by \$310,676 in budgeted wage increases which would not be awarded.¹ In addition to the assessment, an unencumbered balance of \$914,710 and encumbrances of \$248,574 were brought forward from FY92. \$3,955,956 was expended. \$151,830 was transferred to the General Fund. Expenditure details are presented in Exhibit B. An encumbered balance of \$345,597 and an unencumbered balance of \$943,708 were brought forward to FY94. The encumbered balances generally represent ongoing contracts for consulting services.

Decommissioning Fund

This account was closed in FY86. There was no activity during FY93.

Filing Fees

In FY93, the Commission received a filing fee of \$5,899.60 from Central Maine Power Company in connection with the company's petition for a certificate of public convenience and necessity to build a transmission line in York County. A report on the expenditure of these funds will be included in next year's report. No filing fees were waived in FY93.

¹ 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.

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.

In FY93 the Commission ordered a management audit of Central Maine Power Company's management practices. This audit, at a cost of \$242,421 was completed in FY93. Pursuant to Section 113, the cost of the audit was paid for by Central Maine Power Company.

**Miscellaneous
Reimbursements**

Miscellaneous reimbursements consist of funds received for copies of documents such as monthly dockets, agenda and decisions and for other miscellaneous items. \$669 was brought forward from FY92. An additional \$9,968 was received during FY93. \$10,307 was expended, and an unencumbered balance of \$330 was brought forward to be expended during FY94. In FY93, no fines were collected by the Commission.

2. Fiscal Year 94

Exhibit C details the Commission's FY94 Regulatory Fund budget. Encumbered and unencumbered balances brought forward from FY93 are included. The right hand column represents the total funds available to the Commission in FY94 by account and line category.

**3. The Budget
in Perspective**

Exhibit B details the Commission's Regulatory Fund budget for a three-year period. The left hand column includes amounts actually expended in FY93. Column 2 contains FY94's expenditure plan. Column three contains the FY95 Budget.

**4. The Regulatory
Fund Assessment
in Perspective**

Exhibit D details the Regulatory Fund assessment since FY80. 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.

EXHIBIT A

PUC FUND ACTIVITY BY ACCOUNT FOR FY 1993

ACCOUNT NAME	AMOUNT
--------------	--------

REGULATORY FUND

UNENCUMBERED BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR	914,710
ENCUMBERED BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR	248,574
FUNDS RECEIVED DURING FY 93	4,233,807
LESS EXPENDED	3,955,956
LESS HEALTH COST TRANS TO GENERAL FUND	151,830
ENCUMBERED BALANCE BROUGHT FORWARD TO FY 94	345,597
UNENCUMBERED BALANCE BROUGHT FORWARD TO FY 94	943,708

REIMBURSEMENT FUND

FILING FEES	
UNENCUMBERED BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR	0
ENCUMBERANCES BROUGHT FORWARD FROM PREVIOUS YEAR	0
FUNDS RECEIVED DURING FY 93	5,900
UNENCUMBERED BALANCE BROUGHT FORWARD TO FY 94	5,900
MISC. REIMBURSEMENTS	
UNENCUMBERED BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR	669
FUNDS RECEIVED DURING FY 93	9,968
LESS EXPENDED	10,307
UNENCUMBERED BALANCE BROUGHT FORWARD TO FY 94	330

PUC BUDGET IN PERSPECTIVE

	FY93 EXPENDED	FY94 WORKPLAN	FY95 BUDGET
REGULATORY FUND			
POSITIONS	(69)	(69)	(69)
PERSONAL SERVICES	3,034,317	3,718,178	3,713,456
CONSULTANTS	400,157	588,092 *1	252,000
ALL OTHER	512,641	1,230,183 *2	606,825
CAPITAL	<u>8,841</u>	<u>10,610</u> *3	<u>17,917</u>
TOTAL	3,955,956	5,547,063	4,590,198
REIMBURSEMENT FUND			
FILING FEES	0	5,900 *4	0
MISC. REIMBURSEMENT	<u>10,307</u>	<u>330</u> *5	<u>0</u>
TOTAL ALL RESOURCES	<u>3,966,263</u>	<u>5,547,393</u>	<u>4,590,198</u>

*1 ENCUMBERED BALANCE OF \$336,092 WAS BROUGHT FORWARD TO FY 1994

*2 ALL OTHER WAS INCREASED BY AN UNENCUMBERED BALANCE FORWARD OF \$626,165
AND BY AN ENCUMBERED BALANCE BROUGHT FORWARD OF \$8,087

*3 CAPITAL WAS INCREASED BY AN ENCUMBERED BALANCE BROUGHT FORWARD OF \$1,418

*4 BALANCE BROUGHT FORWARD FROM FY93

*5 BALANCE BROUGHT FORWARD FROM FY93

EXHIBIT C

FY 94 BUDGET & ADJUSTMENTS

	BUDGET	ADJUSTMT	ADJUSTED BUDGET
REGULATORY FUND			
POSITIONS	(69)	(0)	(69)
PERSONAL SERVICES	3,718,178	0	3,718,178
CONSULTING	252,000	336,092 *1	588,092
ALL OTHER	595,931	634,252 *2	1,230,183
CAPITAL	<u>9,192</u>	<u>1,418</u> *3	<u>10,610</u>
TOTAL	4,575,301	971,762	5,547,063
CAPITAL	0	0	0
REIMBURSEMENT FUND			
FILING FEES	0	5,900 *4	5,900
MISC. REIMBURSEMENT	<u>0</u>	<u>330</u> *5	<u>330</u>
GRAND TOTAL	4,575,301	972,092	5,547,393

*1 ENCUMBERED BALANCE OF \$336,092 WAS BROUGHT FORWARD TO FY 94
FOR CONSULTING PURPOSES

*2 ALL OTHER WAS INCREASED BY AN UNENCUMBERED BALANCE FORWARD OF \$626,165
AND BY AN ENCUMBERED BALANCE BROUGHT FORWARD OF \$8,087

*3 CAPITAL WAS INCREASED BY AN ENCUMBERED BALANCE BROUGHT FORWARD OF \$1,418

*4 BALANCE BROUGHT FORWARD FROM FY93

*5 BALANCE BROUGHT FORWARD FROM FY93

EXHIBIT D

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 ¹	.002266354	2,642,845 (Nearest \$1) ²	2,696,000
FY 1990	05/26/89-07/01/89		312,154,685				312,154,685 ¹	.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 ¹	.00219111	2,767,117 (Nearest \$1) ³	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 ¹	.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 ¹	.002445819	3,352,662 (Nearest \$1) ⁴	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 ¹	.00066091172	907,323 (Nearest \$1) ⁵	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 ¹	.002847710	4,233,807 (Nearest \$1) ⁶	4,918,000
FY 1994	05/01/93-07/01/93	1,064,245,073	354,876,542	68,315,387	28,108,038	1,919,595	1,517,464,635 ¹	.00280583672	4,257,758 (Nearest \$1) ⁷	4,918,000

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

² Assessment was reduced by \$53,155 which was available from the balance remaining in FY88.

³ Assessment was reduced by \$142,883 which was available from the balance remaining in FY89.

⁴ 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 FY90.

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

⁶ 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.

⁷ Assessment was reduced by \$317,543 which was available from the balance remaining in FY92.

CASE STATISTICS AND OTHER ACTIVITIES

- 1. Caseload** At the end of calendar year 1992, 198 cases were pending on the Public Utilities Commission Docket. During 1993, 363 new cases were docketed. 93 of the 198 pre-1993 cases and 255 of the 363 new cases were closed during 1993. At the end of 1993, 213 cases remained on the Commission's docket. Thus, in 1993, the Commission closed 348 cases. (See Exhibit E)

Exhibit F breaks down Commission activity in 1993 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 1993.

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

Note: All references in this section are to calendar year(s) unless otherwise noted.

TERM**EXPLANATION****Rates - General**

Pursuant to filing requirements of Chapter 120 and Sections 307 and 310,¹ 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.

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, et seq. require Commission authorization before a utility can sell, lease, assign mortgage or otherwise dispose of property.

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.

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

Agreements/ Contracts	Pursuant to Section 703, the Commission must approve special contracts between utilities and customers.
Reorganization/ Affiliated Interests	Under Sections 707 and 708, the Commission must approve financial transactions between a utility and an affiliated interest as well as utility reorganizations.
Commission Rulemakings	Section 111 authorizes the Commission to promulgate all necessary rules.
Commission Investigations	Section 1303 authorizes the Commission to investigate a utility whenever it believes any rate is unreasonable or that any service is inadequate or for any other appropriate reason.
Commission Delegations	Pursuant to Section 107, the Commission may delegate to its staff certain duties in order to more efficiently accomplish the purposes of the Commission.
Advisory Rulings	Chapter 110, Part 6 of the Commission Rules provides that any interested person may petition the Commission for an advisory ruling with respect to the applicability of any statute or rule administered by the Commission.
Ten-Person Complaints	Section 1302 provides for Commission investigation of written complaints signed by ten or more persons made against any public utility.
System Development Charge	Pursuant to Section 6107 the Commission shall investigate this charge.
Public Convenience and Necessity	Pursuant to Sections 2102, <u>et seq.</u> , a utility must seek Commission approval in order to provide service to a city or town in which another utility is already providing or is authorized to provide service.
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.

**Authority to Serve
Casco Bay**

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

GAAP SFAS No. 106

Chapter 720 of the Commission's Rules Establishes Regulatory Accounting and Reporting Requirements Related to Compliance with GAAP Accounting Requirements of SFAS 106.

**2. Rate Case
Decisions**

During calendar year 1993 one general telecommunications utility rate case was processed (Exhibit G). Also, two electric utility general rate cases and one Section 3502 customer-owned electric utility case were processed (Exhibit H). In addition, twenty-two Section 6104 customer-owned water utility rate cases (Exhibit J) and four general water utility rate cases were processed (Exhibit K).

Exhibit I indicates that the 1993 fuel revenues accounted for approximately \$529 million of approximately \$1,106 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 1991.

Also, referring to Exhibit I, the 1993 Northern Utilities cost of gas accounted for approximately \$17.3 million of \$30 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 130 days of hearings held by the Commission in 1993, 77 of these were devoted to five cases.

EXHIBIT A
(Page 1 of 2)

	<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
1993 CASE SUMMARY										
Cases Docketed in 1993	78	168	4	86	5	6	12	2	2	363
Cases Decided in 1993	69	153	5	102	5	6	5	2	1	348
Cases Pending 12/31/93	56	88	2	29	3	1	33	0	1	213

1993 Cases Docketed

Filings

Type	Electric	Gas	Communications	Water	Water Carrier	Others	Comm. Initiated	Totals
Rates - General	1			6	1			8
Rates - Limited	15		119	7				141
Rates - Water District (§ 6104)				27				27
Rates - Customer-owned Electric (§ 3502)	2							2
Securities Issues (§ 902)	10	1	1	25	1			38
Sell, Lease or Mortgage of Property (§ 1101 <u>et seq.</u>)	5		1	5				11
Transport Water, Commercially (22 M.R.S.A. § 2660)						2		2
Agreement/Contracts (§ 703)	10	1	5					16
Reorganizations/Affiliated Interests (§§ 707 & 708)	7		9	3				19
Commission Rulemakings (§ 111)	1		1				6	8
Commission Investigations (§ 1303)							12	12
Commission Delegations (§ 107)	1			1				2
Advisory Rulings (Chapter 110, Part 6)	1			1				2
Ten-Person Complaints (§ 1302)	2		5	1				8
System Development Charge (§ 6107)				2				2
Public Convenience and Necessity (§ 2102 <u>et seq.</u>)			20	1				21
Exemptions/Waivers - Rules/Statutes (Chapters 110 & 120)	5		1					6
Cost of Fuel Adjustments (§ 3101)	4							4
Limited Service Agreement (Chapter 620)				7				7
Cost of Gas Adjustments (§ 4703)		2						2
Conservation (§ 3154)	7							7
Construct Transmission Line (§ 3132)	2							2
Authority to Serve Casco Bay (§ 5101)					3			3
GAAP SFAS No. 106 Compliance (Ch. 720)	2		6	1				9
Others	4							4
Totals	79	4	168	87	5	2	18 =	363

EXHIBIT C

COMMUNICATIONS RATE CASES
RESOLVED DURING 1993

<u>Docket No.</u>	<u>Utility</u>	<u>Amount Requested</u>	<u>Amount Allowed</u>	<u>% Increase Allowed</u>
92-356	Somerset Tel. Co.	\$477,212	\$150,000	9.7

ELECTRIC UTILITY GENERAL RATE CASES
FILED PURSUANT TO §§ 307, 310
EFFECTIVE IN 1993

<u>Docket No.</u>	<u>Utility</u>	<u>Amount Requested</u>	<u>Amount Allowed</u>	<u>% Increase Allowed</u>
92-345	Central Maine Power Co.	\$94,640,000	\$26,239,000*	3.1
92-194/ 92-260	Eastern Maine Elec. Coop.	\$ 1,725,921	\$ 1,698,921	18.3

* Upon appeal by CMP, a portion of the Commission Order was stayed by a State Supreme Court Justice. Pending final action on the appeal by the Law Court, CMP was allowed to increase its rates by about \$4 million in addition to the \$26.2 million granted by the Commission.

ELECTRIC UTILITY RATE CASES
FILED PURSUANT TO § 3502

<u>Docket No.</u>	<u>Utility</u>	<u>Increase Over Prior Proposed Revenue</u>	<u>% Year</u>	<u>Increase</u>
*93-175	Union River Elec. Coop.	\$1,173,081	\$93,277	8.6

* Failed § 6104

EXHIBIT E

FUEL IN ELECTRIC RATES
(\$000)

<u>Company</u>	<u>1991 Gross Revenue</u>	<u>1991 Fuel Revenue</u>	<u>1991 Fuel %</u>	<u>% Change in Fuel Revenue</u>	<u>1992 Gross Revenue</u>	<u>1992 Fuel Revenue</u>	<u>1992 Fuel %</u>	<u>% Change in Fuel Revenue</u>	<u>1993 Gross Revenue</u>	<u>1993 Fuel Revenue</u>	<u>1993 Fuel %</u>	<u>% Change in Fuel Revenue</u>
C.M.P.	\$ 855,828	\$408,284	47.7	11.9	\$ 882,403	\$411,360	46.6	.8	\$ 886,584	\$423,163	47.7	2.9
B.H.E.	\$ 146,310	\$ 84,667	57.9	15.5	\$ 163,198	\$ 89,446	54.8	5.6	\$ 161,895	\$ 87,176	53.8	-2.5
M.P.S.	\$ 54,857	\$ 21,391	39.0	5.5	\$ 53,556	\$ 18,235	34.0	-14.8	\$ 57,550	\$ 19,123	33.2	4.9
	<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>	<u>\$1,106,029</u>	<u>\$529,462</u>	<u>47.9</u>	<u>2.0</u>

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

<u>Company</u>	<u>1991 Gross Revenue</u>	<u>1991 Gas Cost</u>	<u>1991 % Gas</u>	<u>% Change in Gas Revenues</u>	<u>1992 Gross Revenue</u>	<u>1992 Gas Cost</u>	<u>1992 % Gas</u>	<u>% Change in Gas Revenues</u>	<u>1993 Gross Revenue</u>	<u>1993 Gas Cost</u>	<u>1993 % Gas</u>	<u>% Change in Gas Revenues</u>
N.U.	\$ 24,998	\$ 14,599	58.4	.6	\$28,197	\$15,327	54.4	5.0	\$30,283	\$17,332	57.2	13.1

MUNICIPAL & QUASI-MUNICIPAL WATER UTILITIES
RATE CASES PURSUANT TO §6104
COMPLETED IN 1993

Docket No.	Utility	Proposed Revenue	Increase over Prior Year	% Increase	Effective
=====	=====	=====	=====	=====	=====
92-202***	BANGOR WATER DISTRICT	\$3,297,980	\$681,697	26.20%	4/15/93
92-251***	EAST MILLINOCKET WATER WORK	\$258,564	\$68,727	36.20%	7/1/93
92-290	VAN BUREN WATER DISTRICT	\$313,742	\$80,409	34.46%	4/1/93
92-311	AUGUSTA WATER DISTRICT	\$4,450,000	\$1,448,000	48.23%	2/1/93
92-352	PATTEN WATER DEPARTMENT	\$86,612	\$64,441	290.65%	3/13/93
93-003	BOOTHBAY HARBOR WATER SYS	\$706,671	\$66,248	10.34%	3/31/93
93-010***	OLDTOWN WATER DISTRICT	\$1,165,930	\$179,474	18.19%	4/1/93
93-036	LINCOLN WATER DISTRICT	\$380,000	\$67,301	21.52%	5/1/93
93-065	SOUTHWEST HARBOR WATER DE	\$270,300	\$76,444	39.43%	7/1/93
93-093	YARMOUTH WATER DISTRICT	\$885,829	\$206,735	30.40%	7/1/93
93-094	WILTON WATER DEPARTMENT	\$481,563	\$214,675	80.44%	7/2/93
93-108	PRESQUE ISLE WATER DISTRICT	\$875,344	\$90,560	11.54%	7/1/93+1/1
93-143***	ANDOVER WATER DISTRICT	SUSPENDED	SUSPENDED	SUSPENDED	SUSPEND
93-160	KINGFIELD WATER DISTRICT	WITHDRAWN	WITHDRAWN	WITHDRAWN	WITHDRA
93-162	BRIDGTON WATER DISTRICT	\$294,893	\$44,201	17.65%	10/1/93
93-176	NORTH JAY WATER DISTRICT	\$112,366	\$31,101	38.27%	10/1/93
93-177	MOSCOW WATER DISTRICT	\$37,886	\$9,653	34.19%	10/1/93
93-181	OLON WATER DISTRICT	\$39,095	\$9,634	32.70%	1/1/94
93-185	OXFORD WATER DISTRICT	WITHDRAWN	WITHDRAWN	WITHDRAWN	WITHDRA
93-197	LIVERMORE FALLS WATER DISTRI	\$660,697	\$153,020	30.14%	11/1/93
93-259	AUBURN WATER DISTRICT	\$1,569,500	\$206,923	15.19%	1/1/94
93-266***	JAY VILLAGE WATER DISTRICT	\$235,561	\$59,897	34.10%	1/1/94
93-269	SABATTUS WATER DISTRICT	\$96,000	\$23,271	32.00%	1/1/94
93-270	EAGLE LAKE WATER & SEWER DIS	\$155,785	\$84,376	118.60%	1/1/94
93-279	BINGHAM WATER DISTRICT	\$119,903	\$28,534	31.23%	1/1/94

*** = failed §6104

INVESTOR OWNED WATER UTILITIES AND WATER DISTRICT
 RATE CASES PURSUANT TO §307
 COMPLETED IN 1993
 '12/31/93

Docket No.	Utility	Date Filed	Proposed Revenue	Allowed Revenues	Allowed Increase	% Increase	Effective Date	Test Year Return	Requested Return	Allowed Return
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
92-266	FRYEBURG WATER COMPANY	9/21/92	\$216,609	\$213,509	\$16,799	8.50%	1/6/93	7.17%	10.39%	10.260%
92-235	SEAL HARBOR WATER COMPANY	8/19/92	\$138,563	\$134,318	\$47,006	53.80%	4/1/93	1.37%	10.00%	9.100%
93-078	EAGLE LAKE WATER & SEWER DISTRICT	4/2/93	\$71,125	\$71,125	\$8,775	14.07%	5/2/93	N/A	N/A	N/A
93-075	WINTER HARBOR WATER COMPANY	3/31/93	\$254,121	\$99,868	\$13,827	16.10%	1/1/94	1.12%	11.71%	11.400%

EXHIBIT H

Days of Hearings Held in 1993

Central Maine Power Company Rate Case (92-345)		27
PUC Investigation of Central Maine Power Company's Resource Planning, Rate Structure, and Long-Term Avoided Costs (92-315)		11
Central Maine Power Company Fuel Cost Adjustment (Investigation of QF Contracts) (92-102)		10
Bangor Hydro-Electric Company Rate Case (93-062)		17
PUC Investigation into New England Telephone Company's Cost of Service and Rate Design (92-130)		12
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		77
Other than major cases	MAINE DOCS	<u>53</u>
TOTAL		130