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L.U.O.

**Program Evaluation Report
for the
Office of Public Advocate**

October 31, 2005

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Program Evaluation Report
Office of Public Advocate
October 31, 2005

In response to 3 M.R.S.A. Section 956, the Committee on Utilities and Energy on April 28, 2005 directed the Public Advocate to prepare a program evaluation report under authority of the Government Evaluation Act. A program evaluation report requires submission of the following items:

3 M.R.S.A. §956. Program evaluation report

1. Report required. Each agency and independent agency shall prepare and submit to the Legislature, through the committee of jurisdiction, a program evaluation report by a date specified by the committee. [1995, c. 488, §2 (new).]

2. Program evaluation report; contents. Each report must include the following information in a concise but complete manner: [2001, c. 495, §1-3 (amd).]

A. Enabling or authorizing law or other relevant mandate, including any federal mandates;

[1995, c. 488, §2 (new).]

B. A description of each program administered by the agency or independent agency, including the following for each program:

(1) Established priorities, including the goals and objectives in meeting each priority;

(2) Performance criteria, timetables or other benchmarks used by the agency to measure its progress in achieving the goals and objectives; and

(3) An assessment by the agency indicating the extent to which it has met the goals and objectives, using the performance criteria. When an agency has not met its goals and objectives, the agency shall identify the reasons for not meeting them and the corrective measures the agency has taken to meet the goals and objectives;

[1995, c. 488, §2 (new).]

C. Organizational structure, including a position count, a job classification and an organizational flow chart indicating lines of responsibility;

[1995, c. 488, §2 (new).]

D. Compliance with federal and state health and safety laws, including the Americans with Disabilities Act, the federal Occupational Safety and Health Act, affirmative action requirements and workers' compensation;

[1995, c. 488, §2 (new).]

E. Financial summary, including sources of funding by program and the amounts allocated or appropriated and expended over the past 10 years;

[1995, c. 488, §2 (new).]

F. When applicable, the regulatory agenda and the summary of rules adopted;

[1995, c. 488, §2 (new).]

G. Identification of those areas where an agency has coordinated its efforts with other state and federal agencies in achieving program objectives and other areas in which an agency could establish cooperative arrangements, including, but not limited to, cooperative arrangements to coordinate services and eliminate redundant requirements;

[1999, c. 661, §1 (amd) .]

H. Identification of the constituencies served by the agency or program, noting any changes or projected changes;

[1995, c. 488, §2 (new) .]

I. A summary of efforts by an agency or program regarding the use of alternative delivery systems, including privatization, in meeting its goals and objectives;

[1995, c. 488, §2 (new) .]

J. Identification of emerging issues for the agency or program in the coming years;

[1999, c. 661, §1 (amd) .]

K. Any other information specifically requested by the committee of jurisdiction;

[2001, c. 321, Pt. A, §1 (amd) .]

L. A comparison of any related federal laws and regulations to the state laws governing the agency or program and the rules implemented by the agency or program;

[2001, c. 495, §1 (amd) .]

M. Agency policies for collecting, managing and using personal information over the Internet and nonelectronically, information on the agency's implementation of information technologies and an evaluation of the agency's adherence to the fair information practice principles of notice, choice, access, integrity and enforcement; and

[2001, c. 495, §2 (amd) .]

N. A list of reports, applications and other similar paperwork required to be filed with the agency by the public. The list must include:

- (1) The statutory authority for each filing requirement;
- (2) The date each filing requirement was adopted or last amended by the agency;
- (3) The frequency that filing is required;
- (4) The number of filings received annually for the last 2 years and the number anticipated to be received annually for the next 2 years; and
- (5) A description of the actions taken or contemplated by the agency to reduce filing requirements and paperwork duplication.

[2001, c. 495, §3 (new) .]

PL 1995, Ch. 488, §2 (NEW) .

PL 1999, Ch. 661, §1,2 (AMD) .

PL 2001, Ch. 321, §A1-3 (AMD) .

PL 2001, Ch. 495, §1-3 (AMD) .

This report provides detail responsive to each of these fourteen items, either in the form of the requested documents or in the form of a narrative.

A. Enabling Legislation: Office of Public Advocate

35-A M.R.S.A. Sections 1701 to 1710 read as follows:

Chapter 17: PUBLIC ADVOCATE (HEADING: PL 1987, c. 141, Pt. A, @6 (new))

§1701. Appointment and staff

1. Appointment of the Public Advocate. The Public Advocate shall be appointed by the Governor, subject to review by the joint standing committee of the Legislature having jurisdiction over public utilities and to confirmation by the Legislature, and shall serve at the pleasure of the Governor. Any vacancy shall be filled by similar appointment. [1987, c. 141, Pt. A, §6 (new).]

2. Staff of the Public Advocate. The staff of the Public Advocate shall consist of such other personnel, including staff attorneys, as the Public Advocate determines necessary to represent the using and consuming public, as required by subsection 1702. All such personnel shall be appointed, supervised and directed by the Public Advocate. The Public Advocate is not subject to the supervision, direction or control of the chairman or members of the commission. [1987, c. 141, Pt. A, §6 (new).]

3. Salaries of certain employees. The salaries of the following employees of the Public Advocate are within the following salary ranges: [2001, c. 476, §1 (amd).]

A. Deputy Public Advocate, salary range 53;

[1999, c. 259, §4 (new).]

B. Senior Counsel, salary range 36;

[1999, c. 259, §4 (new).]

C. Economic Analyst, salary range 36;

[1999, c. 259, §4 (new).]

D. Research Assistant, salary range 30;

[1999, c. 259, §4 (new).]

E. Business Services Manager, salary range 26; and

[1999, c. 259, §4 (new).]

F. Special Assistant to the Public Advocate, salary range 20.

[1999, c. 259, §4 (new).]

The employees listed in this subsection serve at the pleasure of the Public Advocate and are confidential employees. All other employees of the Public Advocate are subject to the Civil Service Law. [2001, c. 476, §1 (amd).]

The Public Advocate may, at the Public Advocate's discretion, substitute an Economic Analyst position at salary range 36 for any vacant Senior Counsel position. The Public Advocate also may compensate one or more Senior Counsels at salary range 37 if, in the judgment of the Public Advocate, an increase is necessary to provide competitive salary levels. [2001, c. 476, §1 (amd).]

PL 1987, Ch. 141, §A6 (NEW).

PL 1999, Ch. 259, §4 (AMD).

PL 2001, Ch. 476, §1 (AMD).

§1702. Duties

The duties and responsibilities of the Public Advocate are to represent the using and consuming public in matters within the jurisdiction of the commission, including, but not limited, to the following: [1987, c. 141, Pt. A, §6 (new).]

1. Review and recommendations. The Public Advocate may review, investigate and make appropriate recommendations to the commission with respect to: [1999, c. 398, Pt. A, §24 (amd); §§104, 105 (aff).]

A. The reasonableness of rates charged or proposed to be charged by any public utility;

[1987, c. 141, Pt. A, §6 (new).]

B. The reasonableness and adequacy of the service furnished or proposed to be furnished by any public utility or competitive service provider;

[1999, c. 398, Pt. A, §24 (amd); §§104, 105 (aff).]

C. Any proposal by a public utility to reduce or abandon service to the public;

[1987, c. 141, Pt. A, §6 (new).]

D. The issuance of certificates of public convenience and necessity. Recommendations may include alternative analyses and plans as necessary;

[1987, c. 141, Pt. A, §6 (new).]

E. Terms and conditions of public utilities;

[1987, c. 141, Pt. A, §6 (new).]

F. Mergers and consolidations of public utilities;

[1987, c. 141, Pt. A, §6 (new).]

G. Contracts of public utilities with affiliates or subsidiaries; and

[1987, c. 141, Pt. A, §6 (new).]

H. Securities, regulations and transactions of public utilities.

[1987, c. 141, Pt. A, §6 (new).]

2. Intervention. The Public Advocate may intervene in any proceeding before the commission related to the activities under subsection 1, when determined necessary by the Public Advocate. [1987, c. 141, Pt. A, §6 (new).]

3. Petition to initiate proceedings. The Public Advocate may petition the commission to initiate proceedings to review, investigate and take appropriate action with respect to the rates or service of any public utility or competitive service provider when determined necessary by the Public Advocate. [1999, c. 398, Pt. A, §25 (amd); §§104, 105 (aff).]

4. Public complaints. The Public Advocate may investigate complaints affecting the using and consuming public generally, or particular groups, of consumers and, where appropriate, make recommendations to the commission with respect to these complaints. [1987, c. 141, Pt. A, §6 (new).]

5. Intervention on behalf of public. The Public Advocate may, on behalf of the using and consuming public, or any particular group of consumers, petition to initiate, or intervene and appear in, any proceedings before the commission, appeals from orders of the commission, or proceedings before state and federal agencies and courts in which the subject matter of the action affects the customers of any utility or competitive service provider doing business in this State, except that the Public Advocate may not intervene in any proceeding in which the commission staff is representing a position substantially similar to that of the Public Advocate, as determined by the Public Advocate. [1999, c. 398, Pt. A, §26 (amd); §§104, 105 (aff).]

6. Annual report. The Public Advocate shall prepare and submit an annual report of activities of the Public Advocate to the Governor and to the joint standing committee of the Legislature having jurisdiction over public utilities by August 1st of each year, with copies available to all legislators on request. [1987, c. 141, Pt. A, §6 (new).]

7. Assist customers of consumer-owned transmission and distribution utilities. The Public Advocate shall assist customers of consumer-owned transmission and distribution utilities in reviewing proposed rate increases and preparing questions and testimony for public hearings and, on request of a customer and when determined necessary by the Public Advocate, intervene in the proceedings conducted in accordance with chapter 35. [1999, c. 398, Pt. A, §27 (amd); §§104, 105 (aff).]

8. Represent interests of retail customers on regional bodies. The Public Advocate, when the Public Advocate determines it necessary, may serve as a voting member of any regional body whose decisions directly affect the prices or quality of utility services in the State, as long as that service is limited to a seat that is designated for the representation of consumer interests. Service as a voting member of a regional body in accordance with this subsection does not create or constitute a conflict of interest pursuant to section 1709. [2001, c. 27, §1 (new).]

PL 1987, Ch. 141, §A6 (NEW) .
PL 1989, Ch. 660, § (AMD) .
PL 1999, Ch. 398, §A104,105 (AFF) .
PL 1999, Ch. 398, §A24-27 (AMD) .
PL 2001, Ch. 27, §1 (AMD) .

§1702-A. Evaluation of needs and resources

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings. [1997, c. 166, §1 (new) .]

A. "Low-income consumers" means residential consumers for whom paying public utility bills is difficult or impossible without some form of assistance or government aid;

[1997, c. 166, §1 (new) .]

B. "Residential consumers" means consumers who take public utility service for domestic purposes; and

[1997, c. 166, §1 (new) .]

C. "Small business consumers" means commercial consumers that employ fewer than 100 employees.

[1997, c. 166, §1 (new) .]

2. Intent. It is the intent of the Legislature that the resources of the Public Advocate be devoted to the maximum extent possible to ensuring adequate representation of the interests of those consumers whose interests would otherwise be inadequately represented in matters within the jurisdiction of the commission. [1997, c. 166, §1 (new) .]

3. Priority. When the interests of consumers differ, the Public Advocate shall give priority to representing the interests of consumers in the following order: [1997, c. 166, §1 (new) .]

A. Low-income consumers;

[1997, c. 166, §1 (new) .]

B. Residential consumers;

[1997, c. 166, §1 (new) .]

C. Small business consumers; and

[1997, c. 166, §1 (new) .]

D. Other consumers whose interests the Public Advocate finds to be inadequately represented.

[1997, c. 166, §1 (new) .]

This subsection does not require the Public Advocate to represent the interests of a consumer or group of consumers if the Public Advocate determines that such representation is adverse to the overall interests of the using and consuming public. [1997, c. 166, §1 (new) .]

PL 1997, Ch. 166, §1 (NEW) .

§1703. Appeal from commission orders

The Public Advocate has the same rights of appeal from commission orders or decisions to which the Public Advocate has been a party as other parties to commission proceedings. [1987, c. 141, Pt. A, § 6 (new) .]

PL 1987, Ch. 141, §A6 (NEW) .

§1704. Legal representation

Notwithstanding the provisions of Title 5, section 191, the Public Advocate, or a staff attorney, may act as the counsel for the office of the Public Advocate. The Public Advocate may request the assistance of the Attorney General or employ private counsel for this purpose. [1987, c. 141, Pt. A, § 6 (new) .]

PL 1987, Ch. 141, §A6 (NEW) .

§1705. Relationship with the Attorney General

This section in no way limits the rights of the Attorney General to intervene before the commission or to appeal from commission orders or decisions. [1987, c. 141, Pt. A, § 6 (new) .]

PL 1987, Ch. 141, §A6 (NEW) .

§1706. Expert witnesses

The Public Advocate may employ expert witnesses and pay appropriate compensation and expenses to employ the witnesses. [1987, c. 141, Pt. A, § 6 (new) .]

PL 1987, Ch. 141, §A6 (NEW) .

§1707. Expenses of the Public Advocate

The Public Advocate, within established budgetary limits and as allowed by law, shall authorize and approve travel, subsistence and related necessary expenses of the Public Advocate or members of the staff of the Public Advocate, incurred while traveling on official business. [1987, c. 141, Pt. A, § 6 (new) .]

PL 1987, Ch. 141, §A6 (NEW) .

§1708. Information from utilities

Utilities shall provide to the Public Advocate copies of all reports and other information required to be filed with or which may be submitted to the commission, except to the extent that this requirement is waived, in writing, by the Public Advocate. The Public Advocate has the same right to request data as an intervenor in a proceeding before the commission, and, in addition, may petition the commission for good cause shown to be allowed such other information as may be necessary to carry out the purposes of this chapter. [1987, c. 141, Pt. A, § 6 (new) .]

PL 1987, Ch. 141, §A6 (NEW) .

§1709. Conflicts of interest

In addition to the limitations of Title 5, section 18, the Public Advocate or any employee of the Public Advocate may not have any official or professional connection or relation with, or hold any stock or securities in, any public utility or competitive service provider operating within this State; render any professional service against any such public utility or competitive service provider; or be a member of a firm that renders any such service. [1999, c. 398, Pt. A, §28 (amd); §§104, 105 (aff) .]

PL 1987, Ch. 141, §A6 (NEW) .

PL 1999, Ch. 398, §A104,105 (AFF) .

PL 1999, Ch. 398, §A28 (AMD) .

§1710. Restriction

Unless otherwise provided by law, the duties of the Public Advocate are restricted to those relating to matters within the jurisdiction of the commission. [1987, c. 141, Pt. A, § 6 (new); c. 490, Pt. C, §6 (amd) .]

PL 1987, Ch. 141, §A6 (NEW) .

PL 1987, Ch. 490, §C6 (AMD) .

B. Program Description: ratepayer advocacy

1. Goals and Objectives: Since 1982 the primary obligation of the Public Advocate has been to represent the interests of utility consumers in proceedings at the Public Utilities Commission, the federal agencies regulating Maine utilities including the Federal Energy Regulatory Commission and the courts. The agency has an overall goal, as identified in its performance budgeting plan, to “increase ratepayer satisfaction with utility consumer advocacy in Maine.” This goal is consistent with the agency’s overall mission, as stated as follows:

The Public Advocate Office is committed to provide public service in representing Maine utility consumers in any matter that is covered by the authority of the Public Utilities Commission so that they have affordable, high quality utility services. We who work at the Public Advocate’s Office seek to carry out this representation in a principled, diligent and compassionate manner.

In conjunction with the agency’s goal and mission is a vision statement, adopted in October 1996, that reads as follows:

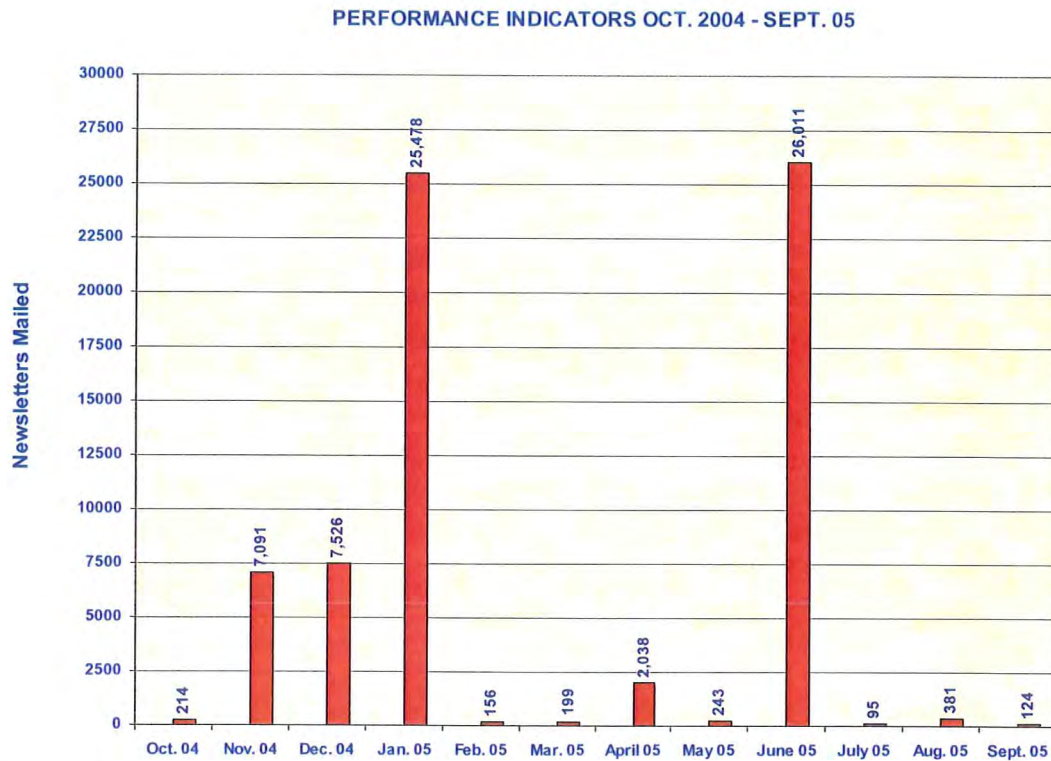
In fulfilling this commitment, we will work with absolute integrity and an unwavering commitment of excellence. We are committed to:

- Making persuasive efforts to influence the PUC’s setting of utility rates and its regulation of utility services in a manner that provides affordable and quality services to utility consumers;
- Earning the respect of individual consumers and consumer groups by communicating openly, clearly, and courteously;
- Encouraging broad public representation in PUC proceedings, consumer coalitions and in our own policy-making process;
- Being sensitive to the overall impact of our actions on all participants in the regulatory process and protecting utility consumers who lack competitive alternatives; and
- Treating the public, utility personnel and each other with respect and courtesy, encouraging open dialog and communication, and recognizing that the work of every employee is important to the Office’s success.

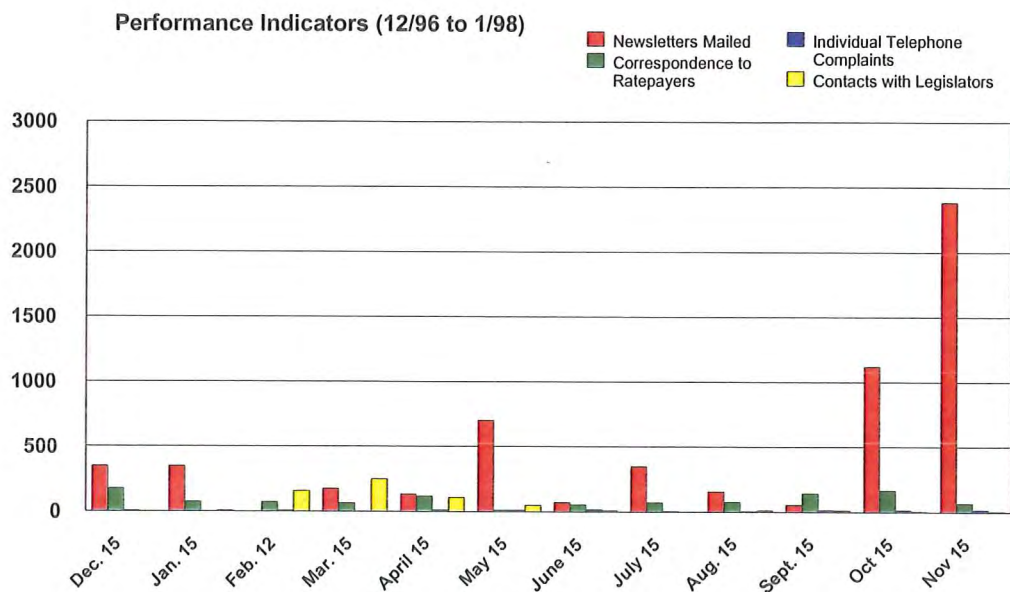
The agency’s overall performance budgeting objectives are attached as Exhibit 1.

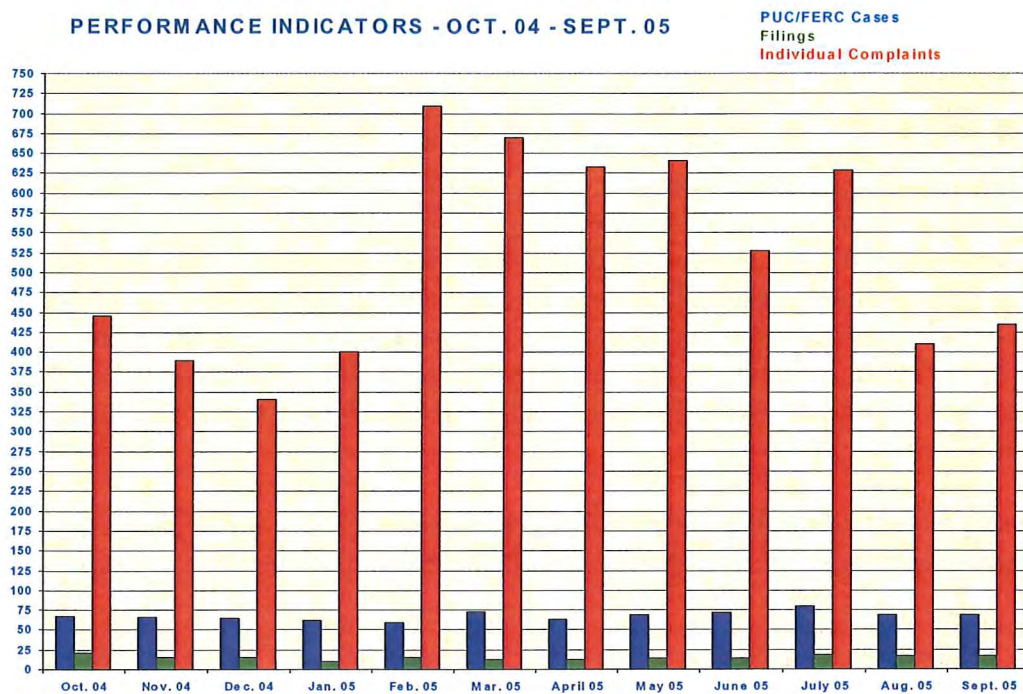
2. Performance Criteria: As shown in this bar graph for 1997 and for 2005 the Public Advocate has for some time required all staff to compile monthly data concerning the following seven performance measures: 1) number of active cases at the PUC, FERC or courts; 2) number of new PUC or FERC interventions; 3) number of filings, memoranda or testimony submitted in a utility case; 4) number of newsletters mailed to the general public concerning office activities; 5) the number of letters sent to individual consumers or ratepayer organizations; 6) the number of telephone contacts recorded on a phone log form from a member of the public concerned about a

utility matter; and 7) the number of contacts by mail or phone with a legislator or member of Congress.

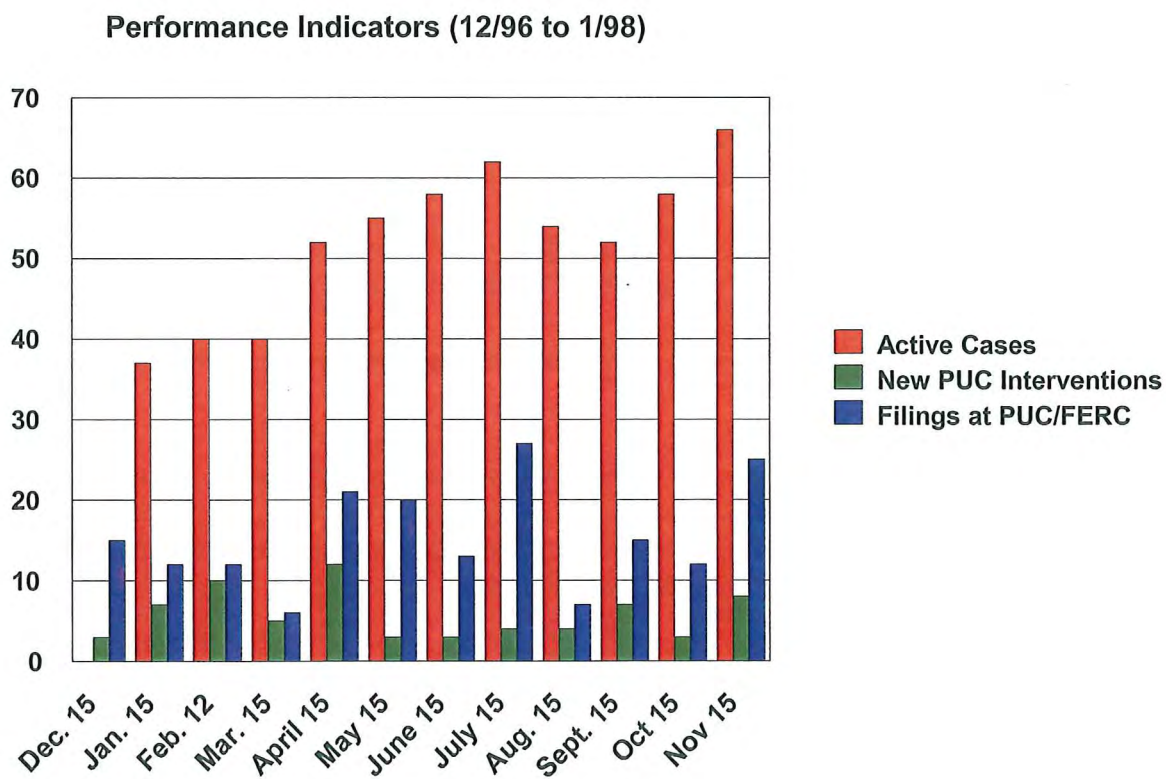


For the sake of comparison, here are similar performance indicators for a prior period, approximately eight years ago.





Again, for the sake of comparison, here are comparable performance measures from 1996-1997.



3. Assessment of Agency's Success: The primary criterion we have historically employed in determining whether Maine's ratepayers are likely to be satisfied with our efforts in their behalf has been to calculate the amount of dollars saved in PUC cases that would not have been saved in the absence of our involvement in those cases. Since 1982, we have maintained a running total of ratepayer savings due to our advocacy at the PUC, in two categories: savings associated with a final PUC order adopted in cases where our witness' recommendation was adopted in the absence of any other witness making the same recommendation; and savings in rates attributable to multi-party settlements in which we participated. As shown on the chart, attached as Exhibit 2, in both cases the savings for ratepayers have been substantial since 1982 totaling \$114 million without consideration of rate case settlements and \$245 million when settlements are included. In recent years, the office has claimed savings attributable exclusively to our advocacy of \$9,500,000 in 99/00, \$6,400,000 in 01/02, \$9,700,000 in 02/03, and \$6,500,000 in 03/04.

The second method we have used to assess the agency's success in performing its mission is to commission surveys in which a random sample of adults in Maine were asked the following questions:

"The Public Advocate's Office, headed by Steve Ward, represents the interests of consumers at the Maine Public Utilities Commission, at the Federal Energy Regulatory Commission, and at the Maine State Legislature. Were you aware of this office?

In general, how effective do you think the Public Advocate's Office has been in representing the interests of the utility customers, particularly with respect to price issues and service quality?"

In September 1996, September 1997 and October 2005, the percentage response to each question was as follows:

	<u>9/96</u>	<u>9/97</u>	<u>02/01</u>	<u>10/05</u>
aware of office?	17% yes	23% yes	22% yes	16.5% yes
how effective?	62% somewhat effective, or better	66% somewhat effective, or better	49% somewhat effective, or better	57.6% somewhat effective, or better

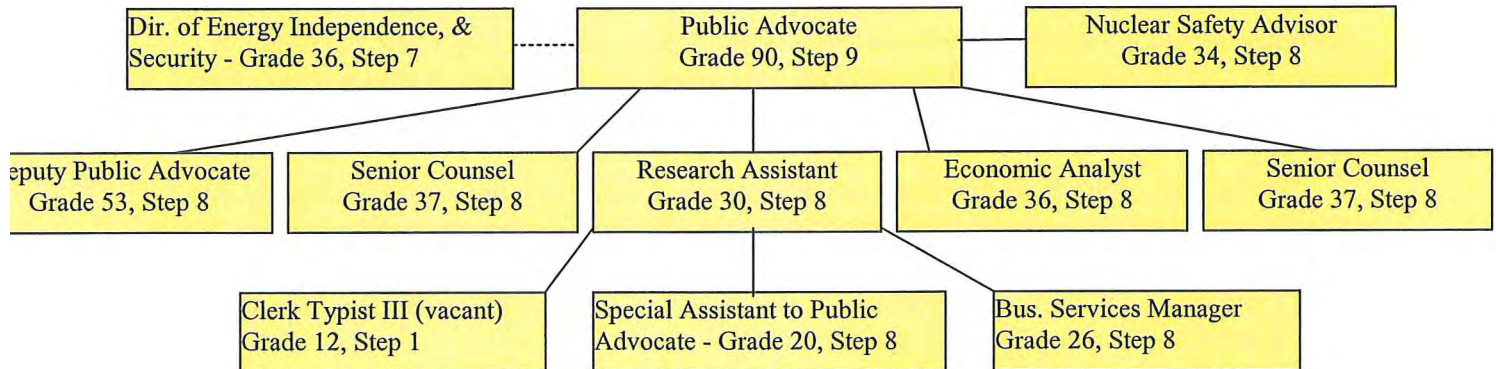
Exhibit 3 provides the full text of the 2001 survey which was duplicated in 1996, 1997 and in 2005.

A third method we have used concerns our activities in the Legislature where the Public Advocate regularly appears with recommendations on pending legislation. As summarized below, the office has tracked the ultimate outcome of individual legislative proposals and compared them with the office's written recommendations.

	<u>OPA position adopted</u>	<u>OPA position rejected</u>	<u>% adopted</u>
FY 00	15	3	83%
FY 01	16	5	76%
FY 02	9	4	69%
FY 03	28	8	78%
FY 04	9	3	75%
FY 05	<u>21</u>	<u>8</u>	<u>72%</u>
Six-year Average	98	31	76%

C. Organizational Structure of the Office

The current organizational structure of the office is identified graphically as shown below. At present, all incumbents are compensated at the top of their pay ranges with no prospect for pay raises. The Energy Independence position is on loan to the Governor's Office and the Clerk Typist III position is vacant (frozen).



D. Compliance with Relevant Health and Safety Laws

The office is in full compliance with applicable requirements of the Americans with Disabilities Act, the Occupational Safety and Health Act, the Civil Rights Act of 1964 and related regulations.

E. Financial Summary

The schedule that is attached as Exhibit 4 presents amounts in the Public Advocate Regulatory Fund allocated and expended or encumbered in fiscal years beginning with FY 95 and ending with FY 05. All amounts shown pertain to public utility assessments billed annually under authority of 35-A M.R.S.A. Section 116(8). Additionally included in Exhibit 4 is a schedule displaying all amounts expended or encumbered by the State Nuclear Safety Office since its transfer to the office in FY 04.

F. Regulatory Agenda and Summary of Adopted Rules

The Public Advocate office has never adopted rules under the Administrative Procedures Act and has no authority to do so.

G. Efforts at Coordinating Agency Mission

In three recent instances, the office has worked closely with other state agencies in a manner designed to reduce costs and promote efficiency. With respect to expanding the availability of wireless and broadband coverage in Maine, the Public Advocate has served on two tasks forces this year, as a gubernatorial appointee: the ConnectME Board working on expanding the coverage of Maine's wireless telephone providers; and the Broadband Access Infrastructure Board working on increasing the availability of high-speed Internet access in Maine. In the case of the ConnectMe project we have worked closely with the following departments of state government: Maine Emergency Management Agency, Bureau of Information Systems, Department of Administration, the PUC, the Department of Economic and Community Development, the Department of Public Safety, Maine Geographic Information Systems (MEGIS) and the Turnpike Authority. Numerous private-sector interests and wireless companies have also been involved in this process.

In the case of the Broadband Access Infrastructure Board we have worked closely this year with the following state agencies: the PUC, Maine Emergency Management Agency, the University of Maine, Maine State Library and the Bureau of Information Systems. In this case as well, numerous private-sector interests have been involved, including Cianbro, Jackson Labs, GWI, Unitel, Time Warner, Inc. and Verizon.

In a second example of interagency cooperation, pursuant to a recently-enacted State Law (PL 2005, Chapter 254), the office coordinated the allocation of Maine Yankee payments to State agencies conducting oversight activities during the decommissioning of the nuclear power plants such that the total of Maine Yankee's payments annual will not exceed \$360,000, beginning September 2005. In a series of meetings that involved numerous State agencies, the office brokered an agreed-to set of allocations of this \$360,000 amount, among the following departments: Division of Heath Engineering/DHHS, DEP, Department of Public Safety, State Nuclear Advisor and the State Nuclear Safety Inspector.

In a third example, pursuant to a second new State Law (PL 2005, Chapter 230), the Office coordinated its initial survey work on freight railroad quality with the Department of Transportation. In this case, an expansion of the agency's mission has compelled consultation with MDOT.

The office routinely coordinates with the PUC federal advocacy before the Federal Energy Regulatory Commission (FERC) and to a lesser extent before the Federal Communications Commission (FCC) in view of our mutual representation of ratepayers in these

proceedings. Recent examples include the Maritimes and Northeast gas pipeline rate case at FERC and the Locational Installed Capacity proposal, made by ISO-New England, which we jointly opposed at FERC.

H. Identification of Constituencies Served

Historically the Public Advocate has undertaken the representation of all consumer interests in PUC proceedings. In rate cases and revenue requirement disputes with a utility, typically all consumers share the same interest (i.e. lowered rates or improved services) while the utility and its shareholders argue the other side of the issue. Occasionally, however, groups of consumers are pitted against each other with conflicting self-interests; this typically is the case when the PUC decides how to redesign rates or divide up an approved increase between business and residential customers. In order to help clarify the Public Advocate's responsibilities in cases where there are differing consumer interests, the Legislature enacted PL 1997, Chapter 166 (attached as Exhibit 5) to establish a hierarchy of claims on the Public Advocate's representation. The highest priority for OPA advocacy is with low-income customers, followed by all other residential customers, by commercial customers with 100 or fewer employees and then by all remaining utility consumers. This hierarchy of consumer interests has not made significant changes in the actual operation of the office, since its enactment in 1997, but continues to guide our activities.

In recent years the Public Advocate has interacted extensively with a number of local and statewide consumer organizations as well as with individual consumers and businesses. These interests can be summarized as follows for the year ending in October:

a) Organizations

1. Community-based: Maine Council of Churches, Coastal Enterprises, Inc., Coalition for Sensible Energy, Chewonki Foundation, City of Bangor, Maine Municipal Association, Town of Wiscasset.
2. Business Organizations: Lewiston/Auburn Economic Growth Council, Maine Grocers Association, Industrial Energy Consumer Group, Independent Energy Producers of Maine, Maine Oil Dealers Association, Maine Telephone Users Group, Mid-Maine Chamber of Commerce, Maine Innkeepers Association, Telephone Association of Maine, Northeast Rail Consumers Association, Atlantic Northeast Rails and Ports.
3. Low-Income Organizations and Elder Advocacy: Community Action Association of Maine, Kennebec Valley Community Action, Washington-Hancock Community Action, Maine Equal Justice Project, Maine Center for Economic Policy, American Association of Retired Persons, Maine Council of Senior Citizens
4. Environmental Organizations: Conservation Law Foundation, Natural Resources Council of Maine, Environment Maine, Environment Northeast, Public Interest Research Group, Physicians for Social Responsibility.

b) Individuals and Businesses

1. Businesses: International Paper, Calpine Corporation, Hydro-Quebec Energy Services, Duke Energy, Interfaith Power & Light, Competitive Energy Services, Constellation Power, Unicel, U.S. Cellular, Cingular, T-Mobile, Verizon Wireless, Mid-Coast Internet Solutions, Time Warner, Adelphia, GWI, Cianbro Corporation, Jackson Laboratories, Maine Power Options.
2. Individual Ratepayers: The office handled 285 individual complaints about a utility matter received by telephone, 2,248 ConnectME complaints about inadequate wireless service, and 36 cell tower complaints in the past year. The office also dealt with ten-person complaints brought by ratepayers requesting PUC action from the following towns in the past year: Waldoboro, Gardiner, Fryeburg, Lakeville, Vinalhaven, Brewer, Kingfield, Levant, Lisbon, Winterport, Dixfield, Calais and Limestone.

I. Use of Alternative Delivery Systems

Over the past year we have considered no longer producing newsletters in-house using graphic design software, as opposed to having them produced by a lay-out specialist paid under a consulting contract. Results have varied but generally newsletters produced by office staff, in whole or in part, are less expensive than a professionally produced newsletter. Copies of all the office's newsletters over the past year are attached as Exhibit 6.

J. Emerging Issues

A key emerging issue for the office over the near-term future will concern effective means of gathering information about the adequacy of freight services for businesses relying on railroads in Maine. Beginning with a first quarterly survey in September 2005, the office has fulfilled the requirements of PL 2005, Chapter 230 directing the office to gather data about the adequacy of railroad freight service and consult with freight customers. This activity has just gotten underway and is to be supported by a \$20,000 transfer from the Maine Department of Transportation.

A second emerging issue has already been discussed in this Report: the necessity of reorganizing the operations of the Public Advocate Office in order to deal more effectively with the consumer impacts triggered by competition in utility markets in Maine and in the Northeast. As shown on the charts attached as Exhibit 7 and Exhibit 8, the Maine's Office of Public Advocate is smaller in size and has fewer resources - on average - to deploy than other comparable agencies in 42 other states. As a result, it is worthwhile to consider changes in the office's staffing level, funding for expert witnesses and overall budget in order to provide the greatest benefit for Maine's consumers in an era of utility deregulation. In particular, it is a concern that of the nine positions in the office that are currently filled, all of these positions are at the top of their pay ranges with no prospect of salary increases.

K. Other Information Specifically Requested

The Utilities and Energy Committee of the Legislature has not specifically requested information from the office on an individual topic, with respect to this Government Evaluation Act review.

L. A Comparison of Federal Laws and Regulations to State Laws Governing the Office

There are presently no federal specifically laws providing for a consumer advocacy function for regulated products and services that is directly comparable to the office's mission. Hence there is no comparison possible with an equivalent federal function.

M. Agency Policies For Collecting, Managing and Using Personal Information Over the Internet and Non-Electronically, Information on the Agency's Implementation of Information Technologies and an Evaluation of the Agency's Adherence to the Fair Information Practice Principles of Notice, Choice, Access, Integrity, and Enforcement

The office already relies extensively on its web page for disseminating information to the public, such as press releases and recent PUC testimony. The office also undertakes from time to time major web-based information projects, such as the "I Can't Hear You Now" digital mapping project that displays some 2,000 locations where cell phone coverage is not available in Maine, based on data provided by individual Mainers. The office has a general policy of promoting the use of Internet resources by office staff in better handling the office's workload. At this time, the office has no formal policy regarding use of personal information over the Internet. We are open to discussions regarding such policies. Likewise, the office at this time has no formal policies respecting fair information practice principles.

N. A List of Reports Required to be Filed With the Agency by the Public

The only pertinent requirement is found at 35-A M.R.S.A. Section 1708 (see page 6) where utilities that file information with the PUC are obligated to make identical filings with the Public Advocate, unless specifically excused by the Public Advocate with a written waiver. This requirement has existed since the Public Advocate statute was first enacted in 1981. As a practical matter, utilities do not appear to oppose this duplicative filing requirement since it accelerates OPA review of pending PUC proceedings and therefore promotes administrative efficiency.

Exhibit 1
Page 1 of 2

A. PUBLIC ADVOCATE MISSION

OUR MISSION: The Public Advocate is committed to provide service in representing Maine utility consumers in any matter that is covered by the authority of the Public Utilities Commission so that they have affordable, high quality utility services. We who work at the Public Advocate's Office seek to carry out this representation in a principled, diligent and compassionate manner.

B. AGENCY OBJECTIVES

By July 1, 2007, show a measurable improvement in the cost and quality of utility services in Maine, as measured by:

- A reduction in the electricity cost differential for residential customers between Maine and the U.S. from 129% of the national average in 2001 to 120% (Maine Economic Growth Council, 2003);
- A reduction in the cost of a 5-minute, in-state, long-distance telephone call from 62% higher than the national median in 1996 to within 5% of the national median (Maine Economic Growth Council, 1997); and
- An increase in the number of residential households that have telephone service from 96% in 1996 to 98% by July 2007 (Federal Communications Commission, 2000).

C. PERFORMANCE MEASURES

Recognizing the challenges posed by one-time events (mergers, industry restructuring and competitive market openings) and by price-cap forms of regulation, the Office's strategic plan relies on a set of performance measurements that account for these changed circumstances. Given a reasonable prospect that the number of PUC cases in which we intervene will decline as the PUC itself relies more on price-cap forms of price-setting, and as more mergers and acquisitions occur, we now calculate a 3-year average of PUC cases as the denominator for one of our performance measures - rather than the actual number of cases in any single year. This approach tends to smooth out the year-to-year variations that arise due to the changed circumstances discussed above. We also calculate a benchmark for ratepayer savings that represent the 22-year average of savings produced by the PUC's adoption of Office positions on individual issues that had not been proposed by another intervening party in that PUC case. By means of this type of ratio, we are attempting to provide a useful indicator both of expenditures by ratepayers per case in a given year and avoid measurement volatility.

Other performance measures have been part of our Strategic Plan for some years now, such as a "batting average" of recommendations made in formal testimony to the Utilities and Energy Committee of the Legislature that were subsequently adopted by final vote in that legislative session. A second familiar performance measure from past Strategic Plans is a quantification of newsletters mailed to consumers at their request with information about long-distance telephone prices or electricity shopping opportunities.

Finally, we propose the use of a performance measure that tracks the aggregate number of contacts the agency has with interested members of the public, with consumers with complaints about utility service, legislators and local community groups. These measures capture the output of effort at the Public Advocate Office and convey a year-to-year snapshot of changes in the Office's workload.

Exhibit 1
Page 2 of 2

This is what they should read					
Current Performance Measures:	Actual	Actual	Estimated	Estimate	Estimate
	FY 03	FY 04	FY 05	FY 06	FY 07
Number of active cases	80	82	66	60	50
Costs per PUC, FCC & FERC cases for judicial appeal - per case	\$16,696	\$18,297	\$23,026	\$24,500	\$25,000
Amount of dollars saved in litigated cases resulting from OPA arguments	\$9,786,552	\$8,750,000	\$9,000,000	\$9,000,000	\$9,000,000
% of OPA legislative positions adopted	78%	75%	76%	76%	76%
# of newsletters mailed as part of consumer education programs	51,343	95,469	60,000	60,000	60,000
# of contacts with ratepayers, complaints & legislators	9,011	6,588	6,000	6,000	6,000
Number of entity interactions		29	29	35	35
Currently they read like this					
Current Performance Measures:	Actual	Actual			
	FY 03	FY 04			
Number of active cases	132	132			
Costs per PUC, FCC & FERC cases for judicial appeal - per case	\$42,755	\$43,028			
Amount of dollars saved in litigated cases resulting from OPA arguments	\$23,600,000	\$23,600,000			
% of OPA legislative positions adopted	152%	152%			
# of newsletters mailed as part of consumer education programs	90,000	90,000			
# of contacts with ratepayers, complaints & legislators	13,800	13,800			
Number of entity interactions		29			
New measurement					
This item represents the "return on investment" for ratepayers of each dollar in the Office's annual budget.	\$7.30	\$5.80	\$6.00	N/A	N/A

Exhibit 2
Page 1 of 3

Summary of Ratepayer Savings, 1982 to 2005
Attributable to Public Advocate Interventions

1. <u>FY 05</u>		
• <u>Central Maine Power Stranded Cost Case</u> , 25% of the reduction resulting from the agreed-to 3-year levelization of stranded costs due to a 4-party stipulation	\$	5,552,023
• <u>Maritimes and Northeast FERC Case</u> , a negotiated discount of \$750,000 annually for Maine users of natural gas in a fund to be administered by the Public Advocate	\$	750,000
• <u>Bangor Hydro-Electric Stranded Cost Case</u> , a \$158,259 reduction resulting from an agreement to adopt lowered cost of equity component of carrying charges when the Public Advocate was the only party to file testimony	\$	158,259
2. <u>FY 04</u>		
• <u>Central Maine Power ARP Adjustment</u> , a one-year benefit of \$1.33 million in lower rates due to the PUC's adoption of our arguments opposing a retroactive inflation adjustment sought by CMP	\$	1,330,000
• <u>Maine Public Service Stranded Costs</u> , a \$6.5 million reduction in amounts deferred for recovery over 2004 to 2008 due to our consultant's testimony with no other parties active in this case	\$	6,500,000
• <u>Maine Public Service Distribution Rates</u> , 50% of the difference between MPS's overall increase request of \$1.7 million and the final result of \$940,000	\$	380,000
3. <u>FY 03</u>		
• <u>Central Maine Power ARP Adjustment</u> , a 7.82% reduction in distribution rates resulted from a 2001 settlement to which the OPA was the only non-utility litigant and which justifies a 50% share of this reduction	\$	9,361,552
• <u>Verizon Sales Taxation Adjustment</u> , at our instigation, Maine eliminated in February 2003 sales tax on a federal portion of Verizon's bills generating \$342,000 savings annually	\$	342,000
• <u>Assorted Water Rate Case Savings</u> , the OPA realized savings in rates of \$83,000 in a series of water district rate cases in 2002-2003.	\$	83,000
4. <u>FY 02</u>		
• <u>Stranded Cost Cases (MPS, BHE, CMP)</u> , Maine Yankee's in-state owners agreed to flow back to ratepayers the credit received from Maine Yankee's insurer when the plant ceased operations	\$	4,654,000
• <u>Bangor Hydro Rate Case</u> , BHE's rate increase request was withdrawn by BHE in conjunction with a 6-year Alternative Rate Plan which we negotiated for the 2002-2008 period	\$	6,400,000
• <u>Telephone Rate Cases</u> , lowered levels of local phone rates for Tidewater Telecom and Lincolnville Telephone as a result of negotiated settlements	\$	557,000

Exhibit 2
Page 2 of 3

5. <u>FY 01</u>		
• <u>Maine Yankee Prudence Settlement (FERC/PUC)</u> , two in-state owners of Maine Yankee, CMP and BHE, agreed to acknowledge the increased value of Maine Yankee output in wholesale markets by agreeing to a reduction in recoverable stranded costs	\$	14,200,000
6. <u>FY 00</u>		
• <u>CMP T&D Rate Case, Phase II</u> , stranded cost reduction from excess earnings in stipulated resolution accepted by PUC on 2/24/00 ??	\$	20,000,000
• <u>Bangor Hydro T&D Rate Case</u> , reduction in final PUC order on items where the only litigant challenging BHE's rate request was OPA	\$	9,500,000
7. <u>FY 99</u>		
• <u>CMP T&D Rate Case, Phase I</u> , reduction in final PUC order on items where the only litigant challenging CMP's rate request was OPA	\$	28,000,000
• <u>Maine Yankee Rate Case/Prudence Review (FERC)</u> , settlement of decommissioning case resulted in a \$19 million reduction of wholesale charges, 50% to be flowed-through to CMP, BHE, MPS. Also potential \$41 million reduction in stranded costs billed by MPS through 2008.	\$	9,500,000
8. <u>FY 97</u>		
• <u>Consumers Maine Water Rate Case</u> , \$8,000 reduction in final rate increase awards for Bucksport and Hartland where no other party filed testimony	\$	8,000
9. <u>FY 95</u>		
• <u>NYNEX Rate Case</u> , \$16.6 million reduction based on items proposed by no other party and adopted by PUC in final order	\$	16,600,000
10. <u>FY 91</u>		
• <u>Bangor Hydro Rate Case</u> , \$800,000 in lowered rates based on items by no other party and adopted by PUC on final order	\$	800,000
11. <u>FY 90</u>		
• <u>CMP Rate Case</u> , \$4 million reduction based on recommendations not duplicated by any other party which were adopted in the final order	\$	4,000,000
12. <u>FY 89</u>		
• <u>New England Telephone Settlement</u> , \$5 million reduction in intra-state where magnitude would have been less without our participation	\$	500,000
• <u>CMP Rate Case</u> , only party to file for motion to exclude CMP's late filed attrition testimony, motion granted 12/22/89	\$	35,000,000
• <u>Isle au Haut</u> , instrumental in bringing telephone service to island		NA

Exhibit 2
Page 3 of 3

13. FY 88 and prior	
• <u>Bangor Hydro Rate Case</u> , provided sole rate of return testimony	\$ 2,000,000
• <u>Maine Yankee Rate Case</u> , (FERC), successfully proposed equity return at 11.9% and flowthrough of \$1.5 million settlement with Westinghouse	\$ 750,000
• <u>Portland Pipeline Cases</u> , successfully intervened at FERC, PUC, DOE Natural Energy Board (Canada) for approval of new gas supplies	NA
• <u>Seabrook Cases</u> , negotiated agreement for \$85 million write-off by CMP and for PUC and FERC approval of sale of Seabrook shares	NA
• <u>CMP Conservation Programs</u> , worked closely with CMP, PUC and OER for design of new industrial and residential conservation programs	NA
• <u>Rate Cases: Maine Public Service</u> , 1982 - litigated	\$ 2,000,000
Eastern Maine Electric Coop. 1983 - litigated	\$ 200,000
New England Telephone 1983 - litigated	\$ 10,000,000
New England Telephone 1984 - stipulated	\$ 20,000,000
Northern Utilities, 1981 - stipulated	\$ 100,000
Northern Utilities, 1983 - stipulated	\$ 1,000,000
Central Maine Power Co., 1982 - litigated	\$ 5,000,000
Central Maine Power Co., 1984 - stipulated	\$ 10,000,000
Central Maine Power Co., 1986 - stipulated	\$ 20,000,000
14. Total FY 89-FY 05, excluding settlements	\$ 95,580,000
15. <u>Total FY 89-FY 05, Including Settlements</u>	\$ 174,175,832
16. Prior Savings, including settlements, FY 82-FY 88	\$ 71,050,000
17. Total, excluding settlements, FY 82-FY 05	\$ 114,780,000
18. Total, Including Settlements, FY 82-FY 05	\$ 245,225,832

**THE PUBLIC ADVOCATE'S OFFICE
PROPRIETARY QUESTIONS INCLUDED IN THE
STRATEGIC MARKETING SERVICES OMNIBUS POLL™
(FEBRUARY 2001)**

1. The Public Advocate's Office, headed by Steve Ward, represents the interests of consumers at the Maine Public Utilities Commission, at the Federal Energy Regulatory Commission, and at the Maine State Legislature. Were you aware of this office?
1. Yes
2. No
96. Don't know [DO NOT READ]

IF YES:

- 1a. In general, how effective do you think the Public Advocate's Office has been in representing the interests of the utility consumers, particularly with respect to price issues and service quality? Would you say the office has been: [OPTIONS WERE ROTATED]
1. Very effective
2. Somewhat effective
3. Not effective
96. Don't know [DO NOT READ]
- 1b. In what ways do you think the Public Advocate's Office could be more effective? [Open-ended; Multiple responses were recorded]
-

WATER DISTRICT QUESTIONS

1. Have you heard about proposed legislation that would make voluntary the PUC's oversight of water district rate increases?
 1. Yes
 2. No
 96. Don't Know [DO NOT READ]

Under current Maine law, a publicly-owned water district that is run by a board of locally-elected directors has authority to set water rates on its own – without input or review from the Public Utilities Commission in Augusta. However, if 15% of the district's ratepayers request a review of the rate increase proposal by the PUC, current law places a final decision with the PUC.

The Water Utilities Association and certain water districts, including the Portland Water District, have announced plans to seek a change in Maine law that will permit any publicly-owned water district to "opt out" entirely from the PUC's oversight, without any right to petition for PUC review by 15% of ratepayers.

2. Do you approve or disapprove [OPTIONS WERE ROTATED] of the proposal to change Maine law to permit any publicly-owned water district to opt out entirely from the PUC's oversight?
 1. Approve
 2. Disapprove
 96. Don't Know [DO NOT READ]

Awareness of The Public Advocate's Office. Figure 1 illustrates that 78.0% of Maine residents polled indicated that they are not aware of the Public Advocate's Office, headed by Steve Ward. **This percentage is the same as a figure of 77.9% of respondents who were not aware of the Public Advocate's Office as reported in the December 1999 SMS Omnibus Poll™.** While 21.3% of respondents indicated that they were aware of the office, three respondents (0.8%) were unsure.

Respondents with more years of formal education are more likely than respondents with fewer years of formal education to indicate that they were aware of the Public Advocate's Office (30.3% [completed college or more] versus 16.1% [completed high school or less]). In addition, older respondents are more likely than younger respondents to indicate that they were aware of the Public Advocate's Office (24.0% [55 years or older] versus 13.8% [less than 35 years]).

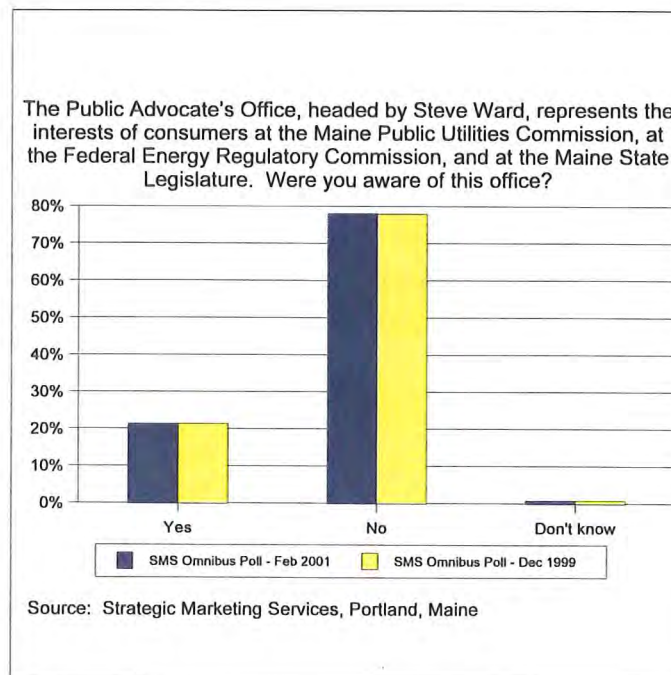


Figure 1

Perceived Effectiveness of the Public Advocate's Office. Of the 85 respondents who indicated that they were aware of the Public Advocate's Office, 49.4% indicated that the office has been either 'very' or 'somewhat' effective in representing the interests of utility consumers, particularly with respect to price issues and service quality (see Figure 2). **This represents a slightly lower percentage than that found in the December 1999 SMS Omnibus Poll™ in which 54.2% indicated that they office has been either 'very' or 'somewhat' effective in representing the interests of utility consumers, particularly with respect to price issues and service quality.** While 23.5% of respondents think the Public Advocate's Office has not been effective in representing the interests of the utility consumers, particularly with respect to price issues and service quality, 27.1% were unsure.

Residents of Southern Maine (56.6%) are more likely than those in Northern/Down East Maine (51.7%) and in Central/Western Maine (38.4%) to think that the Public Advocate's Office has been either 'very' or 'somewhat' effective in representing the interests of the utility consumers, particularly with respect to price issues and service quality. In addition, registered Republicans (56.6%) are more likely than both registered Democrats (45.9%) and Independents (38.5%) to indicate that the Public Advocate's Office has been either 'very' or 'somewhat' effective in representing the interests of utility consumers, particularly with respect to price issues and service quality.

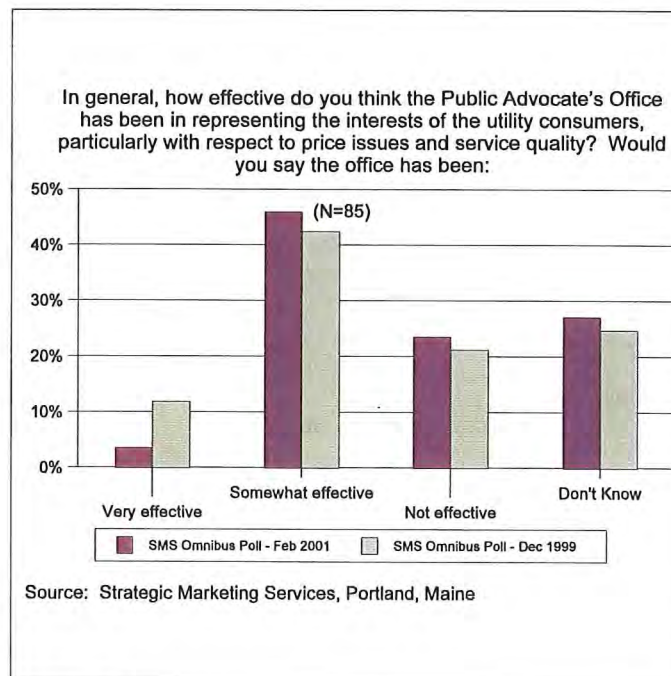


Figure 2

Ways to Improve Effectiveness. Of the 85 respondents who indicated that they were aware of the Public Advocate's Office, 22.4% think that the office could be more effective by increasing public awareness of the office (see Figure 3). Approximately fifteen percent of respondents (15.3%) think the Public Advocate's Office could be more effective by getting more input from customers. While 4.7% of respondents think the Public Advocate's Office could be more effective by keeping the public informed, an additional 4.7% think the office could be more effective by lowering utility and electric rates. Forty-two percent of respondents (42.4%) were unsure of how the Public Advocate's Office could be more effective.

Similarly, in the December 1999 SMS Omnibus Poll™, responses included more communication with the public about their position, more publicity, listen to the public more, and be aware of prices customers pay.

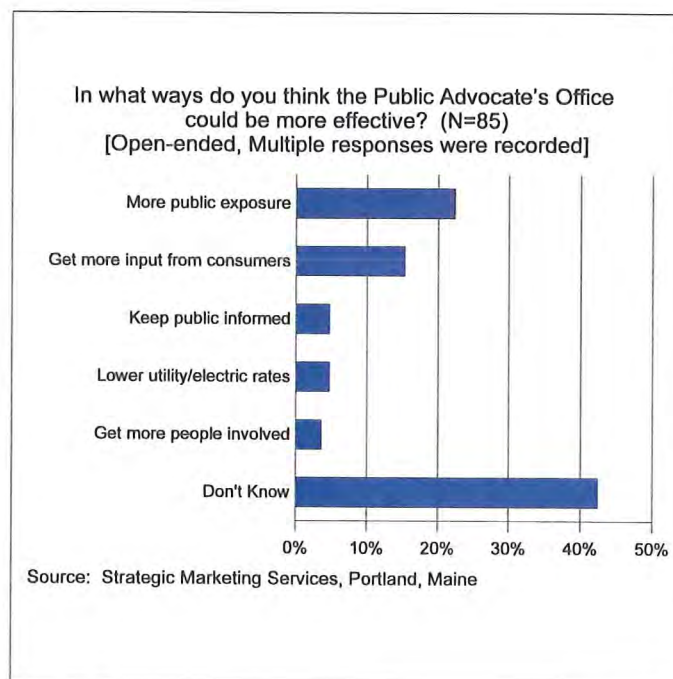


Figure 3

The Public Advocate Office, headed by Steve Ward, represents the interests of consumers at the Maine Public Utilities Commission, at the Federal Energy Regulatory Commission, and at the Maine State Legislature. Are you aware of this office?

	Total	Region			Born in Maine?		Age			Education			Registered Party				2000 Household Income				Gender		
		South ern	Central/ West- ern	North ern/ Down East	Yes	No	<35	35<54	55+	Ref	Comp HS or less	Att Coll	Comp Coll +	Dem	Rep	Ind	Other	Less than \$25K	\$25K < \$45K	\$45K+	Ref	Male	Fe- male
Total	400 100%	141 100%	132 100%	127 100%	276 100%	124 100%	65 100%	180 100%	154 100%	1 100%	155 100%	146 100%	99 100%	160 100%	113 100%	105 100%	22 100%	85 100%	135 100%	143 100%	37 100%	202 100%	198 100%
Yes	85 21.3%	30 21.3%	26 19.7%	29 22.8%	56 20.3%	29 23.4%	9 13.8%	39 21.7%	37 24.0%		25 16.1%	30 20.5%	30 30.3%	37 23.1%	30 26.5%	13 12.4%	5 22.7%	18 21.2%	30 22.2%	28 19.6%	9 24.3%	46 22.8%	39 19.7%
No	312 78.0%	111 78.7%	104 78.8%	97 76.4%	217 78.6%	95 76.6%	56 86.2%	139 77.2%	116 75.3%	1 100%	128 82.6%	116 79.5%	68 68.7%	122 76.3%	82 72.6%	91 86.7%	17 77.3%	67 78.8%	104 77.0%	113 79.0%	28 75.7%	154 76.2%	158 79.8%
Don't know	3 .8%		2 1.5%	1 .8%	3 1.1%			2 1.1%	1 .6%		2 1.3%		1 1.0%	1 .6%	1 .9%	1 1.0%		1 .7%	2 1.4%		2 1.0%	1 .5%	

Strategic Marketing Services/Pan Atlantic Consultants (2001)

In general, how effective do you think the Public Advocate's Office has been in representing the interests of the utility consumers, particularly with respect to price issues and service quality?

	Total	Region			Born in Maine?		Age			Education			Registered Party				2000 Household Income				Gender	
		South ern	Central/ West- ern	North ern/ Down East	Yes	No	<35	35<54	55+	Comp HS or less	Att Coll	Comp Coll +	Dem	Rep	Ind	Other	Less than \$25K	\$25K < \$45K	\$45K+	Ref	Male	Fe- male
Total	85 100%	30 100%	26 100%	29 100%	56 100%	29 100%	9 100%	39 100%	37 100%	25 100%	30 100%	30 100%	37 100%	30 100%	13 100%	5 100%	18 100%	30 100%	28 100%	9 100%	46 100%	39 100%
Very effective	3 3.5%	1 3.3%	1 3.8%	1 3.4%	3 5.4%			3 7.7%		1 4.0%		2 6.7%	2 5.4%	1 3.3%				1 3.3%	2 7.1%		2 4.3%	1 2.6%
Somewhat effective	39 45.9%	16 53.3%	9 34.6%	14 48.3%	27 48.2%	12 41.4%	6 66.7%	15 38.5%	18 48.6%	12 48.0%	15 50.0%	12 40.0%	15 40.5%	16 53.3%	5 38.5%	3 60.0%	7 38.9%	17 56.7%	10 35.7%	5 55.6%	24 52.2%	15 38.5%
Not effective	20 23.5%	7 23.3%	5 19.2%	8 27.6%	11 19.6%	9 31.0%	2 22.2%	12 30.8%	6 16.2%	5 20.0%	7 23.3%	8 26.7%	9 24.3%	7 23.3%	4 30.8%		5 27.8%	7 23.3%	5 17.9%	3 33.3%	10 21.7%	10 25.6%
Don't know	23 27.1%	6 20.0%	11 42.3%	6 20.7%	15 26.8%	8 27.6%	1 11.1%	9 23.1%	13 35.1%	7 28.0%	8 26.7%	8 26.7%	11 29.7%	6 20.0%	4 30.8%	2 40.0%	6 33.3%	5 16.7%	11 39.3%	1 11.1%	10 21.7%	13 33.3%

Strategic Marketing Services/Pan Atlantic Consultants (2001)

In what ways do you think the Public Advocate's Office could be more effective?
[OPEN-ENDED; MULTIPLE RESPONSES WERE RECORDED]

	Total	Region			Born in Maine?		Age			Education			Registered Party				2000 Household Income				Gender	
		South ern	Central/ West- ern	North ern/ Down East	Yes	No	<35	35<54	55+	Comp HS or less	Att Coll	Comp Coll +	Dem	Rep	Ind	Other	Less than \$25K	\$25K < \$45K	\$45K+	Ref	Male	Fe- male
Total	85 100%	30 100%	26 100%	29 100%	56 100%	29 100%	9 100%	39 100%	37 100%	25 100%	30 100%	30 100%	37 100%	30 100%	13 100%	5 100%	18 100%	30 100%	28 100%	9 100%	46 100%	39 100%
Scrutinize profits according to supply and demand	1 1.2%			1 3.4%		1 3.4%		1 2.6%				1 3.3%	1 2.7%				1 5.6%				1 2.2%	
Get more input from consumers	13 15.3%	3 10.0%	3 11.5%	7 24.1%	10 17.9%	3 10.3%	1 11.1%	5 12.8%	7 18.9%	3 12.0%	6 20.0%	4 13.3%	3 8.1%	7 23.3%	3 23.1%		1 5.6%	5 16.7%	6 21.4%	1 11.1%	8 17.4%	5 12.8%
More public exposure/increase awareness of the office	19 22.4%	4 13.3%	4 15.4%	11 37.9%	13 23.2%	6 20.7%	1 11.1%	11 28.2%	7 18.9%	4 16.0%	8 26.7%	7 23.3%	10 27.0%	4 13.3%	4 30.8%	1 20.0%	2 11.1%	11 36.7%	6 21.4%		12 26.1%	7 17.9%
Work on oil cartels	1 1.2%		1 3.8%		1 1.8%				1 2.7%		1 3.3%			1 3.3%				1 3.3%			1 2.2%	
Keeping public informed	4 4.7%	2 6.7%	1 3.8%	1 3.4%	3 5.4%	1 3.4%		2 5.1%	2 5.4%	1 4.0%	1 3.3%	2 6.7%	3 8.1%	1 3.3%			1 5.6%		1 3.6%	2 22.2%	1 2.2%	3 7.7%
Be more open about the cost factor	1 1.2%	1 3.3%				1 3.4%			1 2.7%		1 3.3%		1 2.7%					1 3.3%			1 2.2%	

Strategic Marketing Services/Pan Atlantic Consultants (2001)

Exhibit 3
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(continued)

In what ways do you think the Public Advocate's Office could be more effective?
[OPEN-ENDED; MULTIPLE RESPONSES WERE RECORDED]

	Total	Region			Born in Maine?		Age			Education			Registered Party				2000 Household Income				Gender	
		South ern	Central/ West- ern	North ern/ Down East	Yes	No	<35	35<54	55+	Comp HS or less	Att Coll	Comp Coll +	Dem	Rep	Ind	Other	Less than \$25K	\$25K < \$45K	\$45K+	Ref	Male	Fe- male
Work harder on residential services	1 1.2%			1 3.4%	1 1.8%		1 11.1%				1 3.3%			1 3.3%				1 3.3%			1 2.2%	
Help provide adequate heat assistance	1 1.2%		1 3.8%			1 3.4%		1 2.6%				1 3.3%			1 7.7%			1 3.3%				1 2.6%
If it had a bigger budget	1 1.2%			1 3.4%		1 3.4%			1 2.7%			1 3.3%	1 2.7%				1 5.6%				1 2.2%	
Current plan failed, need choice in providers	1 1.2%	1 3.3%				1 3.4%		1 2.6%				1 3.3%			1 7.7%			1 3.3%			1 2.2%	
More efficient	1 1.2%			1 3.4%		1 3.4%		1 2.6%		1 4.0%						1 20.0%			1 11.1%	1 2.2%		
Lower utility/ electricity rates	4 4.7%	3 10.0%		1 3.4%	1 1.8%	3 10.3%	1 11.1%	1 2.6%	2 5.4%	1 4.0%	3 10.0%		3 8.1%			1 20.0%	2 11.1%	2 7.1%		3 6.5%	1 2.6%	
More resources, more people involved	1 1.2%		1 3.8%		1 1.8%			1 2.6%			1 3.3%		1 2.7%					1 3.3%				1 2.6%

Strategic Marketing Services/Pan Atlantic Consultants (2001)

Exhibit 3
Page 9 of 10

(continued)

In what ways do you think the Public Advocate's Office could be more effective?
[OPEN-ENDED; MULTIPLE RESPONSES WERE RECORDED]

	Total	Region			Born in Maine?		Age			Education			Registered Party				2000 Household Income				Gender	
		South ern	Cent- ral/ West- ern	North ern/ Down East	Yes	No	<35	35<54	55+	Comp HS or less	Att Coll	Comp Coll +	Dem	Rep	Ind	Other	Less than \$25K	\$25K < \$45K	\$45K+	Ref	Male	Fe- male
Make the bills more clear	1 1.2%	1 3.3%				1 3.4%		1 2.6%				1 3.3%	1 2.7%					1 3.3%			1 2.2%	
Not sure they could be	1 1.2%		1 3.8%		1 1.8%			1 2.6%		1 4.0%			1 2.7%				1 5.6%			1 2.2%		
Have more volunteers	2 2.4%	1 3.3%	1 3.8%		1 1.8%	1 3.4%		1 2.6%	1 2.7%	1 4.0%		1 3.3%	1 2.7%	1 3.3%			1 5.6%		1 3.6%		2 5.1%	
Better customer service from utilities	1 1.2%	1 3.3%				1 3.4%	1 11.1%			1 4.0%						1 20.0%	1 5.6%			1 2.2%		
Don't Know	36 42.4%	15 50.0%	14 53.8%	7 24.1%	27 48.2%	9 31.0%	5 55.6%	15 38.5%	16 43.2%	14 56.0%	10 33.3%	12 40.0%	12 32.4%	16 53.3%	6 46.2%	2 40.0%	8 44.4%	11 36.7%	12 42.9%	5 55.6%	16 34.8%	20 51.3%

Strategic Marketing Services/Pan Atlantic Consultants (2001)

Public Advocate Expenditures for 10 Years

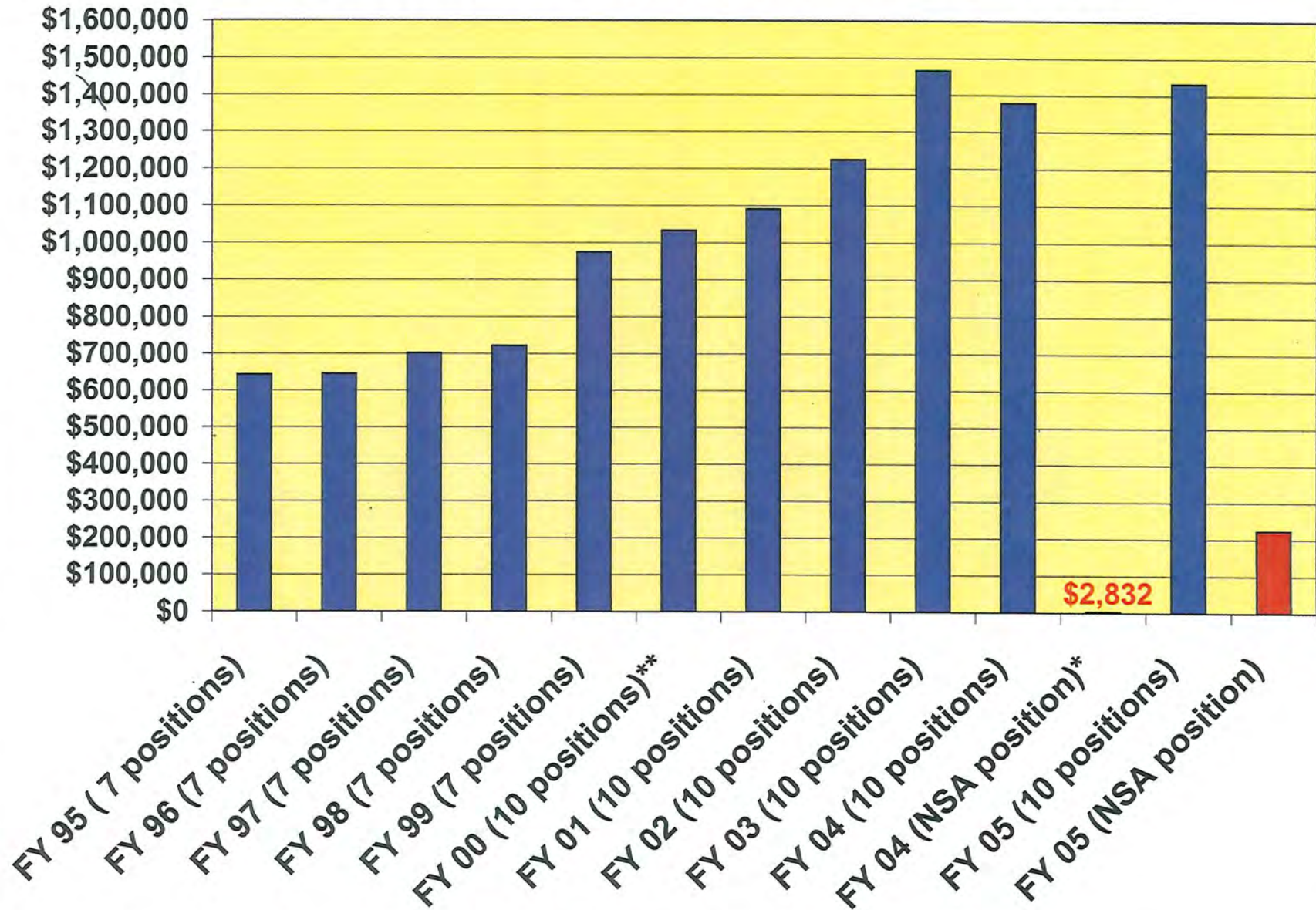
	Personal Services	All Other	Total
FY 95 (7 positions)	\$388,673	\$253,568	\$642,241
FY 96 (7 positions)	\$422,072	\$223,207	\$645,279
FY 97 (7 positions)	\$457,550	\$243,523	\$701,073
FY 98 (7 positions)	\$468,349	\$252,682	\$721,031
FY 99 (7 positions)	\$472,350	\$501,782	\$974,132
FY 00 (10 positions)**	\$550,232	\$482,373	\$1,032,605
FY 01 (10 positions)	\$636,110	\$454,600	\$1,090,710
FY 02 (10 positions)	\$713,769	\$510,172	\$1,223,941
FY 03 (10 positions)	\$800,029	\$666,508	\$1,466,537
FY 04 (10 positions)	\$872,515	\$505,774	\$1,378,289
FY 04 (NSA position)*	*	\$2,832	\$2,832
FY 05 (10 positions)	\$875,429	556,067	\$1,431,496
FY 05 (NSA position)	\$90,486	\$132,801	\$223,287

*SPO still had payroll at the time and it wasn't moved until FY 05 due to legislation.

**One of these ten positions (Clerk Typist III) has not been filled.

Source of funding is dedicated revenue.

Public Advocate Expenditures for 10 Years



*SPO still had payroll at the time and it wasn't moved until FY 05 due to legislation.

**FY 00 - one of these 10 positions (Clerk Typist III) has not been filled).

Source of funding is dedicated revenue.

Recent Budget History and Carry Forwards
Office of the Public Advocate

Exhibit 4
Page 3 of 4

1998

100% Carry Forward from FY 1997 was authorized
to carry into 1998.....\$60,483 - All Other

LD 2278 authorized for FY 1998.....\$13,000 - Personal Services

1999

Original Budget Request for the year was \$684,549

LD 2278 authorized in FY 1999.....\$30,000 - Personal Services
\$350,000 - All Other

Brought final budget to.....\$1,064,549

2000

Original Budget Request for FY 2000 was \$1,084,560

LD 1423 authorized 3 positions for portion of a year.....\$114,750 - Personal Services
\$42,000 - All Other
\$8,000 - Capital

It also authorized reclasses for entire of office staff
for a portion of the year.....\$27,750 - Personal Services

Brought final budget to.....\$1,277,060

2001

Original Budget Request for FY 2001 was \$901,378

LD 1423 authorized entire year salary & benefits.....\$154,500 - Personal Services
\$50,000 - All Other

LD 1423 authorized funding for reclasses for the year
for office staff.....\$60,000 - Personal Services

100% Carry Forward from FY 2000 was authorized to
carry into FY 2001.....\$202,269 - All Other

Brought final budget to.....\$1,368,147

2002

LD 300 Original Budget Request for FY 2002 was \$1,268,628

100% Carry Forward from FY 2001 was authorized to
carry into FY 2002.....\$386,299 - All Other

PL 2001, Ch 559, Part O, Section 4, OPA reduction of \$33,278

Brought final budget to.....\$1,654,927

2003

LD 300 Original Budget Request for FY 2003 was \$1,335,688

PL 2001, Ch 714, Part O, section 8, OPA reduction of \$86,086

100% Carry Forward from FY 2002 was authorized to
carry into FY 2003.....\$214,889 - All Other

Brought final budget to.....\$1,550,577

2004

Original Budget Request for FY 2004 was \$1,500,366

100% Carry Forward from FY 2003 was authorized to
carry into FY 2004.....\$121,173 - All Other

Brought final budget to.....\$1,621,539

2005

Original Budget Request for FY 2005 was \$1,519,713

PL 2003, Ch 320, \$39,763 from OPA personal services

100% Carry Forward from FY 2004 was authorized to
carry into FY 2005.....\$204,973 - All Other

Brought final budget to.....\$1,724,686

2006

Original Budget Request for FY 2006 was \$1,519,663
PL 2005, Ch 135, \$221,853 from OPA personal services

100% Carry Forward from FY 2005 was authorized to
carry into FY 2006.....\$221,853 - All Other

Brought final budget to.....\$1,741,546

Title 35-A: PUBLIC UTILITIES (HEADING: PL 1987, c. 141, Pt. A, @6 (new))

Part 1: PUBLIC UTILITIES COMMISSION (HEADING: PL 1989, c. 502, Pt. A, @123 (rp))

Chapter 17: PUBLIC ADVOCATE (HEADING: PL 1987, c. 141, Pt. A, @6 (new))

§1702-A. Evaluation of needs and resources

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Low-income consumers" means residential consumers for whom paying public utility bills is difficult or impossible without some form of assistance or government aid; [1997, c. 166, §1 (new).]

B. "Residential consumers" means consumers who take public utility service for domestic purposes; and [1997, c. 166, §1 (new).]

C. "Small business consumers" means commercial consumers that employ fewer than 100 employees. [1997, c. 166, §1 (new).]
[1997, c. 166, §1 (new).]

2. Intent. It is the intent of the Legislature that the resources of the Public Advocate be devoted to the maximum extent possible to ensuring adequate representation of the interests of those consumers whose interests would otherwise be inadequately represented in matters within the jurisdiction of the commission. [1997, c. 166, §1 (new).]

3. Priority. When the interests of consumers differ, the Public Advocate shall give priority to representing the interests of consumers in the following order:

A. Low-income consumers; [1997, c. 166, §1 (new).]

B. Residential consumers; [1997, c. 166, §1 (new).]

C. Small business consumers; and [1997, c. 166, §1 (new).]

D. Other consumers whose interests the Public Advocate finds to be inadequately represented. [1997, c. 166, §1 (new).]

This subsection does not require the Public Advocate to represent the interests of a consumer or group of consumers if the Public Advocate determines that such representation is adverse to the overall interests of the using and consuming public.

MORE SETBACKS FOR LOCAL COMPETITION

Since last April, customers trying to sign up with competitive local telephone companies, such as USA and Homefield, were surprised to learn that new customers were no longer being accepted. After the FCC changed the rules governing the wholesale costs of access to Verizon's network, small competitors had a choice – raise prices (and lose customers) or stop taking new customers. Now, there are no economical alternative local service options for most residential customers. High volume toll customers still have access to unlimited local/long-distance and local/DSL bundled plans. Those with high-speed Internet (broadband) still have Voice Over Internet (VOIP) options, and, if service is reliable in your area, there are also wireless options. However, neither VOIP nor wireless service are yet fully reliable substitutes for regular phone service. (*cont'd p. 2*)

PUBLIC ADVOCATE WINS APPEAL AGAINST PUC AND VERIZON AT THE MAINE SUPREME COURT – AGAIN

For the second time, the Maine Supreme Court has vacated the Public Utilities Commission's Order approving Verizon's 5 year regulation plan. The Public Advocate challenged the Commission's orders because the PUC failed to ensure that Verizon's rates would not be higher than the rates that would be set under the traditional method of cost-based ratemaking, as required by state law. The PUC argued that the rate comparison was impossible, when applied to a multi-year period, and therefore, it had no obligation to even hear the evidence offered by the Public Advocate. The Court rejected the PUC's argument, finding that it could not ignore a state statute, based on the PUC's own regulatory preferences or based on the difficulty of compliance. The Court also found that, if the PUC cannot fulfill the requirements of alternative regulation, it must go back to traditional regulation. In the new proceeding now underway the Public Advocate will try to prove that Verizon's rates should be reduced and that the PUC's service quality standards should be tougher.



THE BOTTOM LINE

Long-Distance Only – Pioneer and Touchtone remain two of the best bargains for instate and interstate long-distance service. Both charge low rates, offer 6-second billing, and don't charge deceptive regulatory fees. Choose Touchtone if you don't live in Verizon territory or if you use fewer than 100 minutes per month. Otherwise, Pioneer is cheaper, assuming you always pay on time.

Local Service – Few good alternatives remain for typical residential customers. High volume long-distance users or those who want to bundle local service with high-speed Internet service should consider an alternative local provider. Business customers should consider alternative local services.

Prepaid Calling – Sam's Club's AT&T card has a new lower price at stores but now imposes a substantial 15% surcharge when you recharge minutes by phone. Onesuite remains a good option if you want to buy minutes online. Each service provides certain advantages as shown in the report.

Wireless – Prepaid wireless is best for low-volume or occasional use of a cell phone. If you use well over 100 minutes every month, a monthly fee plan is better. As always, one size does not fit all – the best choice depends on how and where you plan to use your service.

Internet – High-speed (DSL, Cable, or Wireless) is best if it's available. Dial-up services range from \$5.50 to \$23 per month. Maine-based ISPs are likely to provide better customer service, but a low-cost national ISP can be a bargain if there's a toll-free local access number in your calling area.

VOIP – A good choice for a second line if you have a broadband (high-speed) Internet connection. Now that the FCC has ordered VOIP services to comply with emergency 911 systems, VOIP is one step closer to real telephone service. Consider the advantages and disadvantages of VOIP.

WHAT'S INSIDE

1-2 Telecom News

3 Local Service Choices

4 Unlimited Plans

5 Prepaid Service

5-6 Long-Distance Plans

7-8 VOIP

9 Complaints

10-12 Wireless Services

13-15 Internet Services

(Verizon continued from page 1) Verizon and the other three former Bell Companies have had enormous success in their strategy to eliminate local telecommunications competition. Their aggressive litigation and lobbying have resulted in FCC and court decisions that have greatly weakened the ability of smaller competitors to provide wireline telephone service and high-speed Internet service. The promise of the 1996 Telecommunications Act was that companies like Verizon would open their networks to competition in exchange for the right to serve the interstate long-distance market. However, after winning the prize of access to the long-distance market, the Bells launched their aggressive fight to kill local competition. Now, it appears that we're headed back to a monopoly market for plain local telephone service.

In 2004, Verizon successfully challenged, in federal court, FCC rules governing competitive access to its network. After the FCC refused to appeal those decisions, the FCC adopted new rules much less favorable to competitors. Having achieved its goals to change federal regulation, in April 2005, Verizon went so far as to sue the Maine Public Utilities Commission in federal court after the PUC determined that it had authority to require Verizon to continue to offer types of wholesale access that Verizon promised to make available when it sought entry into the interstate long-distance market.

Recently, the PUC interrupted its consideration of "line-sharing", which allows competitors to provide DSL Internet service. The PUC put the case on hold after Verizon moved to have it dismissed based on an FCC ruling that several southern states could not require Bell South to provide DSL to its local customers who use a competitor's local voice service. In essence, the FCC is allowing the Bell companies to undermine competition by telling customers they must buy the phone company's bundled services if they want DSL. Verizon also appealed to the Maine Supreme Court, the Maine PUC's decision to allow a very small Skowhegan-based DSL provider to access Verizon's network in order to bring DSL to rural customers who have no other access to broadband services. In June, that case was resolved in favor of the Skowhegan provider.

What may turn out to be the worst assault on competition is the impending merger of Verizon with MCI, along with the impending merger of AT&T with SBC (the second biggest of the four Bell companies, after Verizon). Not only will these mergers remove the only large local service competitors to Verizon and SBC, but it removes their only well-financed lobbying and legal opposition in Congress, the FCC, and the courts. As the new rules for the telecommunications industry are developed in Congress over the next few years, the legislative agenda of the Bells may become a virtual monopoly.

Another Local Rate Increase For Verizon

In May, the Public Utilities Commission allowed Verizon's local rates to increase by 21¢ per month to account for the final reductions in access charges paid to Verizon by long-distance companies. This rate increase was ordered despite the strenuous objections of the Public Advocate. Since Verizon's rates have been nullified by the Maine Supreme Court, we argued that there is no appropriate base rate from which to add increases.

Maine Supreme Court Ruling May Help Expand DSL Service

In June, the Maine Supreme Court ruled that the PUC may order Verizon to connect copper wires to Skowhegan Online, Inc. (SOI), a very small Internet company. SOI plans to connect DSL equipment to those wires at a utility pole and provide DSL to rural customers who are currently without any other broadband (high-speed Internet) access. The PUC, the Public Advocate, and other Internet companies all argued against Verizon's appeal. While this is good news, it is not clear whether Verizon will continue to resist furnishing these facilities.

Looking for a Public Payphone? The Maine Legislature Just Made it a Little Easier

The Public Advocate has received dozens of complaints over the last few years about the increasing difficulty in finding public payphones and about the disappearance of certain favorite payphones. In fact, phone companies (largely Verizon) have pulled out about half the payphones in the State just during the last few years. In response, we petitioned the Public Utilities Commission to begin a public interest payphone program in order to preserve payphones in Maine, but the PUC denied our petition.

In April, Rep. Herb Adams (D, Portland) introduced a bill to create a public interest payphone program, and enlisted the advice and support of the Public Advocate. The bill was passed unanimously by the Utilities and Energy Committee and enacted by the Legislature. The new law allows for funding of up to \$50,000 per year from the Maine Universal Service Fund to support payphones. Now, any citizen may petition the PUC to designate a public interest payphone at any particular location in the State. In order to qualify, the proposed phone must fulfill a "public welfare, health or safety policy objective" and the PUC must also find that the payphone would not otherwise be supported by the competitive marketplace.

LOCAL SERVICE COMPETITION

After recent changes in FCC rules there is very little competition for residential local telephone service. The following chart shows alternatives for Verizon's business customers and for residential customers who use a high volume of toll minutes. Business rates heavily depend upon the services chosen and length of contracts. Compare these rates to Verizon local service rates as follows:

Verizon's standard rates: Res.— \$17.79 economy, \$19.29 premium, Bus.— \$35.38 economy, \$38.49 premium.

Name/Phone/Website	Business or Residential	Monthly Rates (Res./Bus.) (excluding surcharges & taxes)	Notes
AT&T One Rate	B & R	Unlimited local and long-distance \$55 (Res. Plan)	4 features
BCN Telecom (888) 866-7266 bcntele.com	B & R	B \$26 to \$30 per line* R 5% below Verizon rate	*Depending on customer location
ChoiceOne (877) 277-6836 (207) 432-1000 choiceonecom.com	B	Starting at \$23.30 per line \$27.70 w/8 features	Various exchanges
Conversent (800) 275-2088 conversent.com	B	\$26.50/mo. per line or \$25/mo. with /2-3 year commitment	Various exchanges
CTC (800) 287-9875 ctcnet.com	B	\$27 to \$38 per line	
Excel (877) 668-0808 excel.com	R	\$32.45 to \$38.90* with 3 features (Requires Excel long distance)	*depending on location and long-distance plan. Includes 100 LD minutes
GWI (866) 494-2020 gwi.net	B* & R	Res. \$40 including unlimited long-distance (if bundled w/DSL) \$50 without/DSL	5 features at \$5 extra *Bus. rates are higher Various exchanges
Lightship (877) 548-7447 lightship.com	B	Rates range from \$26.96 to \$16.86 depending on volumes and types of selected services	Long-distance rates from 3.5¢ to 2.8¢
MCI (877) 777-6271 theneighborhood.com	B & R	Unlimited local and long-distance Res. - \$50* Bus. - \$60	5 calling features included 1st month free *Over \$66 with surcharges and taxes
Mid-Maine (877) 643-6246 midmaine.com	B & R	B \$26 - \$32 R - \$49 - local/DSL bundle	Service available in selected exchanges
Oxford (800) 520-9911 oxfordnetworks.com	B & R	R - \$17.22 - \$22.22 B- \$31.28 - \$40.34 R - \$40 (with 5 features) B - \$31-28 - \$40.34 depending on number of lines (\$7.72 per line)	Norway/South Paris Parts of Lewiston/Auburn Bus. service avail. in many areas in southern and central Maine plus Bangor
PineTree (866) 746-3873 pinetreenetworks.com	B	\$25 - \$35 per line	Greater Portland & Lewiston areas
Time Warner (800) 833-2253 twedigitalphone.com (Voice over Internet)	R	\$40 with digital cable or Roadrunner \$45 with analog cable TV \$50 without the above	VOIP based Southern Maine only Includes unlimited long-distance, many features
USA Telephone (877) 872-2800 savewithusa.com Closed to New Customers	B & R	R - \$20-\$25 with 3 features (depending on location) B - \$29-\$32 per line with 3 features (depending on location)	Local services bundled with 2.9¢ instate and interstate LD minutes (B and R)

UNLIMITED LOCAL AND LONG-DISTANCE TELEPHONE PLANS

NAMES	FEATURES	UNLIMITED TOLL WITH LOCAL	UNLIMITED STATEWIDE TOLL (AND LOCAL)	UNLIMITED TOLL ONLY	DSL & UNLIMITED TELEPHONE (LOCAL & TOLL)	NOTES
AT&T One Rate USA 1-800-222-0300 att.com	Unlimited to U.S. 4 features*	\$55	N/A	\$30	\$85	may choose 4 out of 11 features / Voicemail - add \$5
GWl GwILINE* 1-866-494-2020 gwi.net	Unlimited to US 5 features**	\$50	N/A	N/A	\$70 (no added line charge)	*Available in selected exchanges **\$5 additional for optional features
IDT Unlimited 1-800-254-1718 idt.net	Unlimited to U.S. 6 features	Not available to new customers	N/A	\$27	N/A	Voicemail available at extra charge Closed to new customers
MCI Neighborhood 1-877-777-6271 mci.com	Unlimited to U.S. 5 features	\$50*	N/A	\$16—Unlimited Interstate + 60 instate minutes	\$80	Includes voicemail *With new increased surcharges, total bill is now \$67.77
Oxford Networks 1-800-520-9911 oxfordnetworks.com	Unlimited to U.S. & Canada 5 features	\$81.52	N/A	\$17.59	\$81.52	Lewiston/Auburn area only
Time Warner 1-800-833-2253 twmaine.com	Unlimited to US & Canada Advanced features	\$40	N/A	N/A	\$85 (no added line charge)	Enhanced VOIP Service Up to \$50 w/o Roadrunner or Digital/Cable Southern Maine area only
Verizon Freedom 1-800-870-9999 verizon.com	Unlimited to U.S. & Canada 5 features	\$55	\$40	N/A	\$85	Includes voicemail & 4 other features

Note: Homefield provides unlimited local and statewide toll calls for a low price but that service is temporarily unavailable to new customers.
 N/A = not available Toll = long-distance
 All prices exclude surcharges and taxes. Note that Time Warner and GWl do not add the \$6.50 subscriber line charge.

LONG-DISTANCE DEPARTMENT

Universal Service Fund Update

The USF fee will be dropping from 11.1% to 10.2% from July 1 through September 30, 2005. The surcharge is applied only to interstate services on telephone and wireless bills. The USF pays for affordable rural phone service, school and library Internet and telecommunications service, low-income telephone service discounts, and rural telemedicine service discounts.

**PHONE
CARDS**

PREPAID CALLING — UPDATE

	Sam's Club/AT&T	OneSuite.com
US Rate 48 (states)	2.84¢	2.9¢*
Western Europe	11.36¢	3.4¢ - 9¢
Other Fees	5% sales tax on initial store purchase and phone refills	None
How to buy?	Sam's Club (similar offers at BJ's & Costco) or renew by phone	www.onesuite.com
Expiration	24 months from activation or last recharge	6 months from activation or last recharge
Record of call	No	Yes via Internet
Use from Canada? Rate?	Yes 15¢	Yes 3.5¢* (*2.5¢ from Montreal, Toronto, & Vancouver)
Payphone Charge	43¢	55¢
Special Features	Enhanced features offered at extra charge. Can use in many countries.	Many free enhanced features.
Customer Service #	800-530-6744	866-417-8483

Calls to international mobile phones may be priced much higher.

NOTICE — Sam's Club/AT&T now applies a 15% surcharge when you add minutes by phone.

LONG-DISTANCE — UPDATE

Approximately 400 long-distance companies are licensed to serve customers in Maine. However, most of them are serving limited business markets or charging rates that are not competitive with the lowest-cost companies. For the past few years, two long-distance companies have emerged as the best bargains for most of Maine's toll customers — Pioneer Telephone and Touchtone Communications. Touchtone is the better choice if your local phone company is not Verizon. Both have been providing good service with courteous treatment of their customers, as well as good prices. While the big carriers like Verizon, MCI, AT&T, and Sprint still have very large shares of the toll market, their prices and monthly fees for standalone long-distance service translate into unnecessarily higher bills for the very same service that is available for less.

These traditional "pay as you go" long-distance plans are still the best option for the majority of telephone customers. However, alternatives exist for those in Verizon territory who use many toll minutes each month and those who want to bundle local service with long-distance and/or DSL service. For those served by a non-Verizon local phone company, the only alternatives are unlimited bundled plans that are offered by your local phone company, VOIP services, and wireless services.

TRADITIONAL PAY AS YOU GO LONG-DISTANCE PLANS

Looking for a good long-distance service to combine with basic service from your local phone company? Here are two good options: choose Touchtone if you are served by an independent rural local phone company. Choose Pioneer or Touchtone if you live in Verizon territory, but Pioneer has an edge if you use over \$15 of long-distance per month or are willing to accept email billing.

TWO LOW-PRICED FULL- SERVICE LONG-DISTANCE PLANS				
COMPANY	Pioneer pioneertelephone.com		Touchtone touchtone.net	
FEATURED PLAN	Talk Cents		4.25¢ Plan	
(RESIDENTIAL)	Instate	Interstate	Instate	Interstate
RESIDENTIAL per minute rate (excluding surcharges & taxes)	3.5¢	3.25¢	4.25¢	4.25¢
Monthly Minimum	none		none	
Monthly Fee	99¢*		none	
RESIDENTIAL SAMPLE MONTHLY COSTS :	INCLUDES 50% INSTATE/50% INTERSTATE MINUTES & MONTHLY FEES, EXCLUDING SURCHARGES & TAXES.			
LOW @ 10 mins. per month	\$1.34*		43¢	
MEDIUM @ 100 mins. per month	\$4.37*		\$4.25	
HIGH @ 500 mins. per month	\$16.88		\$21.25	
HIGHEST @ 1,000 mins. per month	\$33.75		\$42.50	
Hawaii/Alaska	4.9¢		15¢	
RESIDENTIAL INTERNATIONAL RATES*				
Canada	3.9¢		6¢	
France	4.5¢		7¢	
Hong Kong	4.9¢		7¢	
Italy	4.9¢		7¢	
Spain	4.9¢		7¢	
United Kingdom	4.9¢		6¢	
AVAILABLE IN RURAL INDEPENDENT AREAS?	no		yes	
(BUSINESS)	Instate	Interstate	Instate	Interstate
Business per minute rates (excluding surcharges and taxes)	3.5¢	3.25¢	4.25¢	4.25¢
Monthly Minimum	none		none	
Monthly Fee	99¢*		none	
PICC Charges (per line)	\$4.21		\$1.50	
In-bound 800 Rates	3.5¢**	3.25¢**	4.25¢**	4.25¢**
TO SUBSCRIBE, CALL:	1-888-492-6878		sold only by agents*	
NOTE: Surcharges are not included in the rates shown.	*99¢ fee waived w/online billing or usage over \$15		*Touchtone Agents in Maine: 1 888 594-2500 1 888 866-7266 1 800 619-2537 1 877 885-9844 1 866 764-8001 1 888 262-7864	
\$5 fee to change carrier is often covered by new carrier upon request.	**99¢/mo. per 800 number.			
PICC charges (a per-line access charge) apply to multi-line business customers only.	Alt. Plans - Rate Buster 2.9¢ instate/2.7¢ interstate with 1-minute billing.		6-second billing.	
1-minute billing unless otherwise noted. An average customer will save about 10% as a result of 6-second billing.	6-second billing.		Lower rate may be available for high-volume customers.	
*Beware that international calls to mobile phones may be priced much higher.	Pioneer is a Maine company.		Customer service 1-800-266-4006	
	1.9¢/min. to call other Pioneer customers.		**\$1.99/mo. per 800 number	
	Late payment causes rates to double.			

One Loss and One Gain in Maine's Local/Long-Distance Market

USA and Homefield recently temporarily suspended service to new customers after the FCC issued an order eliminating the method of access to Verizon's network used by USA and Homefield. USA and Homefield are now faced with higher costs to provide service to new customers and therefore, have stopped taking new customers instead of raising prices.

GWI, Maine's second largest provider of high-speed DSL Internet service (after Verizon), has recently entered the local and long-distance voice telephone market. GWI is offering unlimited local and long-distance calling for \$40/month when bundled with their \$30 DSL service (\$70 total), or \$50 without DSL service. This is regular fully reliable phone service – not VOIP service. Unlike most other local telephone companies in Maine, GWI has decided not to charge the \$6.38—\$6.50 line surcharge, so subtract about \$6.50 when comparing their price to your current phone service. We like that!

GWI's new GWiLine versus Time Warner's Digital Phone

In comparison to GWI's \$70 DSL/phone bundle (see left box) Time Warner's Digital Phone is priced at \$40 when bundled with its \$45/month Roadrunner service, for a total of \$85/month. However, price isn't the only difference -- Time Warner's Digital Phone is a VOIP service, though it works differently from most other VOIP services. Time Warner routes calls through a local telephone company in order to provide full E911 capability and service that is more reliable than those that originate over the public Internet. However, like other VOIP services, Digital Phone will not work during an electrical or Internet outage. GWI's new phone service is traditional, more reliable phone service. Neither service is economical, however, for customers who use less than 300 long-distance minutes per month. Both services are available only in selected geographic areas.

Voice Over Internet (VOIP) Services Are Gaining in Popularity

Voice Over Internet continues to grow in popularity as an alternative telephone system for customers with a high-speed (broadband) Internet connection, but prospective customers need to be aware of the pros and cons of VOIP. VOIP generally includes many free features and low-priced international calling. It generally requires a broadband connection, although some services, such as Packet8, claim that their service will work even over a dial-up connection (we suspect that service quality would be poor over a dial-up connection). In fact, substandard sound quality and other technical problems continue to plague some customers of VOIP services.

Key Features - VOIP service often includes many advanced features (often more than 20), including voicemail and Caller ID, at no extra charge. One emerging feature is the WiFi phone, which removes the need for a telephone adaptor, and allows you to connect wirelessly to a broadband modem or router. Net2Phone already offers the WiFi phone and Vonage will be rolling it out soon. Another advantage of VOIP is that it is portable — just bring your adaptor or IP phone anywhere in the world and plug it into a broadband connection. Then, calls to your local phone number in the US will ring wherever you are, at no extra charge to you or your local callers.

Emergency Access over VOIP - Recently, there have been media reports of deaths that were blamed on the improper routing of emergency calls over a VOIP network. However, in May the FCC issued an Order requiring that VOIP providers deliver all 911 calls to the customer's local emergency dispatch center and provide location information (E-911) where available. Since VOIP services are portable, it will be the customer's obligation to report any location changes. Also be aware that VOIP service is interrupted during an electrical outage or an Internet service outage. However, with traditional phone service or a reliable wireless service as a backup, VOIP can be a good option for broadband customers who make many toll calls or need a second line.

Special Considerations for DSL Customers – If you subscribe to DSL service, you will need to continue to pay for local telephone service, because most local phone companies, including Verizon, do not allow you to subscribe to DSL without also paying for local phone service.

See VOIP service comparisons on page 8.

SAMPLE OF RESIDENTIAL VOIP RETAIL SERVICES*

COMPANY	FEATURES	PRICE	NOTES
AT&T CALLVANTAGE att.com/callvantage	Unlimited to US & Canada,	\$30/month (\$30 activation fee) Europe - 5¢ to 9¢	Early termination fee may apply if cancelled within 1 year Adapter included
BROADVOICE broadvoice.com	Unlimited in Maine	\$10/month + 3.9¢/min. interstate & Canada & low international rates	Adaptor included \$40 activation fee \$10 with own device
	Unlimited World (US + 20 countries)	\$20/mon.	
LINGO lingo.com	Unlimited to US, Canada & Western Europe	\$20/month	\$30 activation fee First month free \$40 termination fee within 1 year
	500 Minutes US, Canada & Western Europe	\$15/month	
NET2PHONE net2phone.com	Unlimited US & Canada	\$30/month Europe 5¢ to 8¢	\$40 fee if cancel w/in 1 year Requires prepayment \$30 activation fee Adapter included
	Unlimited Europe or bundled rates for specific counties	+ \$40/month	
	500 minutes US & Canada	\$15/month	
	350 Western Europe	\$15/month	
PACKET8 packet8.com	Unlimited US, & Canada	\$20/month Europe 3¢ to 8¢	Claims to be E-911 compliant \$30 Activation Fee Adapter included Claims ok with dialup
	Unlimited Calls to Europe/Asia	\$30 extra per continent/ month	
PULVER Free World Dialup pulver.com	Unlimited to other members (May ring regular phone numbers with separate service)	FREE	Can work with a special telephone or free software
SIPPHONE sipphone.com	Unlimited to other Sipphones May ring regular phone #s	Free to other Sipphones Reg. calls start at 2¢	Using telephone adapter (\$60) or computer software (free)
SKYPE skype.com	Unlimited PC to PC May ring regular phone #s	Free to other Skype users Reg. calls start at 2.3¢	Using computer mike/speakers
TIME WARNER Digital Phone twmaine.com	Unlimited US, Canada, Guam, Puerto Rico & Virgin Islands	\$40/month (\$50 without Roadrunner) Europe 7¢ to 8¢	No adaptor needed E-911 compliant
VOICEPULSE voicepulse.com	Unlimited US	\$25/month	Adapter included Required 1-year term
	Unlimited ME + 200 Long Distance	\$15/month Europe 5¢ to 9¢	
VONAGE vonage.com	Unlimited US & Canada	\$25/month	\$30 Activation Fee Adapter included
	500 Minutes	\$15/mo. (3.9¢/min. after 500 included) Europe - 3¢ to 8¢	

*Note—Business plans also available from many VOIP providers.

Where to Go For Help When Having a Dispute With a Service Provider

Utilities – In Maine, the Public Utilities Commission (PUC) has jurisdiction over telephone, electric, gas and water utilities. Technically, the PUC has jurisdiction over local and instate long-distance service but not interstate service. However, many disputes involve both so the PUC will generally try to assist in resolving long-distance service disputes. They generally do not have jurisdiction over wireless companies and cable companies. Staff members can help prevent disconnection of service, assist in setting up a fair payment arrangement, give advice concerning rules that apply to utility service, and can often resolve service or billing disputes. Decisions of the Consumer Assistance Division may be appealed to the full 3-member Commission.

Cable Companies – Cable TV and Internet service providers are largely unregulated businesses. The FCC in Washington D.C. has authority to regulate cable service and there are some federal rules that govern service standards. In addition, since local municipalities periodically approve the franchise agreement with the cable operator, there may be some service standards to be enforced by your town. However, in most cases, neither your town nor the FCC will be of much help in resolving an individual dispute.

Wireless Companies – Like Cable companies, wireless companies are largely unregulated with respect to service quality and billing disputes with consumers. Only a few states have adopted service quality standards that apply to wireless companies. In Maine, as a result of a settlement with various state attorneys general, Cingular, Verizon and Sprint have agreed to provide detailed coverage maps, clearly stated contract terms, and a period of at least 14 days as a grace period for cancellation of a wireless contract. Unicef has agreed to comply with certain Maine utility consumer protection rules in exchange for being made eligible to receive federal universal service subsidies. US Cellular is currently applying for those subsidies and we expect those rules to apply to them as well. Some carriers already allow a 30 day grace period for cancellation.

Internet Services – (Dial-Up, DSL, wireless or Cable-Modem) – Another unregulated service. Even if your Internet service is provided by an affiliate of a regulated telephone company, the PUC has no jurisdiction over the Internet service, and telephone utilities are under no obligation to improve your telephone line to allow adequate dial-up or DSL Internet Service.

Contact Information

Maine PUC – 1800 452-4699 – (public utility complaints and dispute resolution).

Federal Communications Commission – www.fcc.gov 1888 225-5322 fccinfo@fcc.gov – (complaints concerning cable or wireless companies – but the FCC will not investigate individual contract or billing disputes).

Maine Attorney General – 207-626-8800 consumer.mediation@maine.gov (provides consumer mediation services and may take action in the case of an unfair or deceptive practice by any business in Maine).

I Can't Hear You Now?

In his State of the State speech, Governor Baldacci announced two initiatives, one seeking to encourage greater broadband availability in Maine and the other to increase wireless coverage throughout the State. As part of this project, the Governor asked the Public Advocate to compile data about wireless dead spots. Since January, the Public Advocate has been gathering that information and plotting it on a map on our web site. If you know of a place where your wireless service will not work, please give us a call at 287-2445 so we may add your information to our online map. You may view the map at www.maine.gov/meopa (click on "I Can't Hear You Now").



WIRELESS DEPARTMENT



Wireless phones sold by U.S. wireless carriers are almost always locked to their own service. In other words, the phones are often useless when you choose a different service provider, even within the U.S. However, in many countries around the world, you can use an unlocked phone using the GSM (Global System for Mobile Communications) standard. Since most of the world uses the GSM standard (as do a few U.S. carriers), you can use your phone in many countries, as long as your phone

operates on the frequency used by the country you're in. It is possible to buy an unlocked GSM phone with three frequency bands (covering most countries) for as little as \$80. However, U.S. carriers may refuse to activate your unlocked GSM phone. European carriers use 900 and 1800 MHz while North American carriers use 850 and 1900 MHz.



How does it work? Typically, your unlocked GSM phone will work with a prepaid wireless service. When you arrive in a foreign country, you buy a SIM (Subscriber Identity Module) card, which you insert into the phone. It works much like a prepaid calling card, except that a SIM card becomes a physical component of your device. It effectively activates your account, determines your phone number, and keeps track of your minutes.

Where to find them? Unlocked GSM phones are available on many web sites – just search “unlocked GSM phones”. One retailer with a good description of the service is www.telestial.com

FCC Responds to Advocates Who Challenged Misleading Telephone and Wireless Bill Surcharges - With More Bad News For Consumers


Last year, NASUCA, the National Association of State Utility Consumer Advocates (of which the Maine Public Advocate is an active member) filed a complaint with the FCC, asking that it abolish, or at least regulate, the many misleading surcharges that keep popping up on bills for telephone and wireless service. Instead of requiring industry reforms, the FCC issued an order doing little to protect consumers. Even worse, the FCC went further and prohibited the states from regulating wireless surcharges. This decision will allow communications companies to continue to bill millions of extra dollars to consumers while undermining the efforts of some states to protect them. Not surprisingly, this decision was made after intensive lobbying by the wireless industry.

Do You Want Wireless Service Only For Emergencies? One Option Is No Service At All

Many people desire wireless service as a means to contact 911 in case of emergency. However, most people don't realize that you don't need to pay for wireless service in order to have access to 911. When monthly service is discontinued or prepaid minutes are expired, your wireless phone is still capable of contacting 911 to report an emergency. New prepaid wireless phones with included minutes are available for as little as \$36. However, there are a few caveats to bear in mind:

1. Older wireless phones and those without an assigned phone number are not compatible with E911, which allows the dispatch center to determine your location.
2. You will need to remember to keep the phone's battery charged. It is easy to forget to do that when you rarely use the phone.
3. Keep all unused wireless phones away from children because they continue to provide live access to emergency dispatch centers. Old cheap phones, especially prepaid phones, are sometimes given to children to play with as toys. The 911 dispatch centers will not welcome a call from your toddler unless it's a real emergency.

SAMPLE OF MONTHLY FEE WIRELESS PLANS (see page 12 for Prepaid Services)

	Cingular (AT&T) cingular.com (800-331-0500)			US Cellular uscellular.com (888-944-9400)				Unicel unicel.com (800-336-4455) - local — (800-462-3558) - national			Verizon verizon.com (800-256-4646)		
	Regional	Nation	Family	Local		National		Unlimited Round the Clock GSM (Local)	True Nationwide GSM	Family Time GSM (Local)	America's Choice Individual		America's Choice Family Share
Monthly Fee	*\$40	\$40	\$60	\$40	\$50	\$50	\$70	\$50	\$45	\$45	\$40	\$60	\$60*
Anytime Minutes	600	450	900	1000	1300	800	1200	Unlimited	1000*		450	900	500
Offpeak Minutes	5000		Unlimited	Unlimited for \$5.95 extra				Unlimited			Unlimited		
Cost per extra minute	45¢		40¢	40¢		40¢		0	45¢	40¢	45¢	40¢	45¢
Cost of extra lines	N/A		\$20	\$15		\$20		N/A	\$20	\$15	NA		\$10*
Toll Rate (Per Minute)	0			0				0			0		
Roaming Rate (Per Minute)	79¢	0		69¢ 30¢ in expanded area*		0		45¢	0	40¢	0		
Toll Free/ Roaming Free (Home) Area	Most of NY, MA, CT, NJ, RI Parts of NH & ME	Much of US		ME, NH, VT (Excludes Portsmouth Area)		Most of US		Parts of ME, MA, NH, VT, NY	Most of US	Parts of ME, NH, VT, MA & NY	Most of US		
Notes	\$18 activation—2 yr contract. Rollover and unlimited mobile to mobile minutes start at \$40. Extra \$1.25 "regulatory fee" applies to all plans. *\$10 extra for mobile to mobile.			*Expanded area includes PA, MA, NY, CT, ME & RI. 96¢/month "regulatory fee".				Service contract is optional— price per phone is \$20 to \$30 cheaper with contract. (Our advice: choose no contract). *Includes unlimited Unicel to Unicel calls. \$5 extra for unlimited incoming calls.			Verizon markets plans in Cumberland, Androscoggin, Sagadahoc & York Counties. Unlimited Verizon mobile to mobile. *2 lines included without extra charge.		

Roaming charge - applies when calling from outside home area.

Toll rate - applies only to some local plans when call destination is outside home area (applicable to some local plans only).

Important - call and check websites for latest promotions and always verify coverage quality in area of use.

Activation fees - (\$25 to \$36) often apply but are sometimes waived upon request when purchasing online, or when signing 2-year contract.

Cancellation fees - (\$150 to \$200) generally apply if you cancel service before expiration of contract term.

Cost of Phone - Phone is often free when signing a 1 or 2-year contract. Ask about current promotions.

Right to terminate - Carriers reserve the right to terminate service if 50% of usage occurs outside of their licensed area.

Features - Most plans include Caller ID, Call Forwarding, Call Waiting, 3-Way Calling, Voicemail, and other advanced features.

NOTE— For minimal or emergency usage, see prepaid plans (see page 12).

Beware that the phone offered with wireless plan may not be compatible with other wireless plans when you change service. Beware that many advertised promotions require two-year contracts, which should be avoided.


Dial 611 from cellular phones for customer service. 911 emergency calls may work from cell phones even without activation.

Each carrier may offer many other plans.

PREPAID WIRELESS PLANS - UPDATE

The following pay-as-you-go plans are attractive alternatives for those who want a wireless phone for just occasional use and want to avoid a long-term contract. If you plan to use more than 100 minutes per month, a monthly fee plan is a better choice and at least one carrier (Unicel) now offers monthly fee service without a contract. Unicel has ceased marketing its Smartpay prepaid service but may offer other prepaid plans in the future. Verizon's new prepaid service requires an extra fee of 99¢ per day. For that reason, it would not be an economical choice for the vast majority of customers and we have therefore not included Verizon's prepaid service.

SAMPLE OF PREPAID WIRELESS PLANS (see page 11 for Monthly Fee Plans)

	Tracfone (tracfone.com) sold at local retailers (800) 867-7183	US Cellular TalkTracker Flex (uscc.com) (888) 944-9400	AT&T/Cingular Pay As You Go (cingular.com) (888) 333-6651
Initial Cost - Including phone & starting minutes	*\$30 to \$130 (includes 10 minutes)	\$100 (includes \$20 air time)	\$30 to \$150
Home Area	Much of Maine	ME, Southern VT, NH (except Portsmouth area)	Much of US (spotty in Maine)
Airtime Rate Per Minute	20¢ to 60¢**	35¢ day 10¢ night/weekend	25¢ or 10¢*
Roaming Charge Per Minute	Double the airtime rate	99¢	0
Toll Charge - Per Minute	0	0	0**
Minimum Recharge Dollars	\$20	\$15	\$15
Expiration of Minutes (days)	60 - 365 (depending on card chosen)	60	30, 90, 180 (depending on card chosen)
Minimum Annual Cost (Does Not Include Cost of Initial Package or Roaming Calls)			
10 minutes/month	\$90 (1 - \$90 365-day refill)	\$90 (6 - \$15 refills)	\$100 (4 - \$25 90-day refills)
50 minutes/month	\$180 (6 - \$30 60-day refills)	*\$175 (7 - \$25 refills)	\$150 (6 - \$25 90-day refills)
100 minutes/month	\$300 (6 - \$50 60-day refills)	*\$210 (6 - \$35 refills)	\$300 (3 - \$100 180-day refills)
NOTES Customers who use more than 100 minutes per month should consider regular monthly fee cellular plans. Watch for and ask about promotions.	*Depending on phone, \$30 reconditioned phone with 100 min.	Minimum annual cost of minutes calculated at day time rate.	*With 10¢ plan, a charge of 99¢ per day applies when there is any incoming or out going use. 10¢ plan allows unlimited mobile to mobile (Cingular to Cingular).
	**Depending on number and duration of minutes purchased.	*Bonus minutes with refills of \$25 or more.	**15¢ per minute additional to Canada.
	Roaming coverage in most of US.	Talk Tracker to Talk Tracker 10¢ min.	AT&T now applies a 15% surcharge when you purchase new minutes for an existing card by phone.
	Minutes rollover.	Minutes rollover when you buy additional minutes.	Minutes rollover.

INTERNET DEPARTMENT

SAMPLE OF RESIDENTIAL INTERNET SERVICES IN MAINE

COMPANY	FEATURES	PRICES
STATEWIDE TOLL FREE DIAL-UP		
CC Net — 207-443-2211 — clinic.net	3 email addresses with 5 MB space	\$17.50 to \$20/mo. No setup fee
Dial Maine — 800-624-6380 — dialmaine.com	5 email addresses with 100 MB space	\$16 to \$20/mo. No setup fee
GWI — 866-494-2020 — gwi.net	2 email addresses with 40 MB space	\$9@10 hrs. / \$16@40 hrs. \$20 to \$23/mo. unlimited \$15 setup fee
MFX Internet — 877-432-7637 — mfx.net	1 email address with 5 MB space	\$20/mo. \$20 setup fee
Midcoast Internet — 207-594-8277 — midcoast.com	3 email addresses with 20 MB space	\$18 to \$20/mo. @ 300/hrs. \$10 setup fee
Mid-Maine — 877-643-6246 — midmaine.com	5 email addresses with 20 MB space	\$15 to \$18/mo. No setup fee
MPDU — 800-721-1063 — mpdu.com	4 email addresses with 5 MB space	\$15/mo. No setup fee
NNEI — 866-500-6634 — nnei.net	1 email address with 5 MB space	\$19 to \$22/mo. No setup fee
Panax — 888-452-5100 — panax.com	3 email addresses with 5 MB space	\$14.92 to \$19/mo. No setup fee
Points South — 866-490-0100 — psouth.com	1 email address with 10 MB space	\$15.83 to \$19.50/mo. No setup fee
USA Internet — 800-288-5072 — prexar.com	2 email addresses with 6 MB space	In transition - call for new prices
Verizon — 877-483-5898 — verizon.com	1 email address with 10 MB	\$20/mo. @ 150 hours \$23/mo. - unlimited \$10 fee or signup online
XpressAmerica Internet Service — 888-504-6200 — xpressamerica.net	5 email addresses with free personal web space	\$13 to \$15/mo. No setup fee
NATIONAL ISP'S (Dial-up) check for an access # in your local toll free calling area		
550access.com — signup online — 550access.com	1 email address with 5 MB space	\$5.50/mo. @ 150 hrs. \$9/mo. @ 300 hrs. with accelerator \$7 setup fee
650dialup.com — 866-255-2164 — 650dialup.com	5 email addresses with 10 MB space	\$6.50/mo. \$8 setup fee
AOL — signup online — aol.com	Multiple email addresses	\$20/mo.
AT&T Worldnet — 800-400-1447 — att.com	6 email addresses with 60 MB space	\$15/mo. \$22/mo. with accelerator No setup fee
Earthlink — 800-327-8454 — earthlink.com	8 email addresses with 10 MB space per email address	\$20 to \$22/mo. \$25 setup fee
Juno/Netzero — 888-349-0029 — netzero.com juno.com	Email on the web with 1 GB space	\$10/mo. \$15/mo. with accelerator

COMPANY		FEATURES	PRICES
NATIONAL ISP'S (Dial-up) (continued) check for an access # in your local toll free calling area			
Localnet — 888-488-7265 — localnet.com		10 email addresses with 10 MB space	\$10/mo. \$13/mo. with accelerator
Netscape — 800-716-7445 — getnetscape.com		Email on the web with 10 MB space	\$10/mo.
Peoplepc — 877-947-3327 — peoplepc.com		4 emails with 10 MB space	\$10/mo. \$13/mo. with accelerator
USAdatanet — 800-290-2655 — usadatanet.com		Unlimited email addresses	\$10/mo. \$15/mo. with accelerator
COMPANY	AREA SERVED	FEATURES	PRICES
WIRELESS HIGH SPEED INTERNET			
Clinic.net 207-443-2211 clinic.net	Available in parts of Cumberland, Androscoggin, Sagadahoc, Lincoln, and Aroostook counties	3 email addresses with 5 MB space	Res. \$25/mo. Bus. \$60/mo. \$100 setup fee + \$10/mo. equipment lease
Downeast Wireless 207-667-7414 downeastwireless.net	Available in Ellsworth area	3 email addresses with 5 MB space	\$50/mo. \$450 to \$700 setup fee
MFX Internet 877-432-7637 mfx.net	Presque Isle, Caribou, Mars Hill, Houlton, Sleepy Hollow, Mapleton and part of Fort Fairfield	10 email addresses with 5 MB space	\$40/mo. Plus \$8 each additional PC \$100 setup fee
Midcoast Internet 207-594-8277 midcoast.com	Various locations in the mid-coast area	4 email addresses with 20 MB space	\$50/mo. \$295 setup fee
Pioneer Wireless 866-335-1254 pioneerwireless.net	Northern Maine - Medway to Fort Kent	5 email addresses with 10 MB space	Res. \$35/mo. Bus. \$45/mo. Setup fee \$99 - \$199
SJV Wireless, Inc. 877-475-8638 sjv.net	Fort Kent, Wallagrass, some areas of St. John	1 email with 3 MB space	Res. \$35/mo. Bux. \$50./mo. Res. Installation \$99 Bus. Installation \$199
DSL HIGH SPEED INTERNET			
LOCAL PHONE COMPANIES	Usually within 3 miles of phone company central office	Call local phone company for details	Res. (\$30/mo. - \$60/mo.) Call company for rates
Acadia Net 800-994-6375 acadia.net	Available throughout Maine in selected exchanges	5 email/residential - 10 email/business - with 50 MB space	Res. \$35-\$55/mo. Bus. \$80-\$120/mo. Bus. \$250 setup fee
GWI 866-494-2020 gwi.net	Available in 40 exchanges within Verizon's territory	5 email addresses with 40 MB space	Res. \$30/mo. Bus. \$50/mo. No setup fee
MXF Internet 877-432-7637 mfx.net	Presque Isle, Caribou and Houlton areas	10 email addresses with 5 MB space	Res. \$35/mo. Bus. \$60/mo.
Midcoast Internet 207-594-8277 midcoast.com	Available throughout Maine in selected exchanges	4 email addresses with 20 MB space	\$35/mo. Verizon customers \$60/mo. Non-Vz customers \$75 setup fee
Midmaine 877-643-6246 midmaine.com	West Enfield, Levant, Plymouth, Alton and Passadumkeag	5 email addresses with 20 MB space	Res. \$30/mo. Bus. \$60/mo. \$75 installation fee & \$150 equipment fee
Oxford Networks 800-520-9911 oxfordnetworks.com	Lewiston/Auburn (not all areas yet) and Norway/South Paris	5 email addresses with 10 MB space	Res. \$38/mo. Bus. \$65-\$80/mo.

COMPANY	AREA SERVED	FEATURES	PRICES
DSL HIGH SPEED INTERNET (continued)			
Pivot.Net 800-400-5568 pivot.net	Available in selected exchanges	5 email addresses with 10 MB space	\$35/mo.
Verizon 877-483-5898 verizon.com	Available in much of Verizon territory	9 email addresses with 10 MB space	Res. \$38/mo. Bus. \$60/mo. Res. \$35 w/1 yr. contract
CABLE MODEM HIGH SPEED INTERNET			
Adelphia 888-683-1000 adelphia.net	Central Maine area	Multiple email addresses with 10 MB space	Res. \$43/mo. Bus. \$70/mo. Install. fee varies +\$5/mo. modem rental
Comcast 888-633-4266 comcast.com	Berwick, So. Berwick, Eliot & Kittery	7 email addresses with 10 MB space	\$43/mo. cable TV customer \$58/mo. non-cable TV customer
Metrocast Online 800-695-2545 metrocastcablevision.com	Acton, Lebanon, Sanford, Shapleigh, Springvale	2 email addresses with 40 MB space	\$30/mo. +\$2.50/mo. modem rental \$100 installation fee
Pine Tree Cablevision 800-220-3320 ptc-me.net	Machias area	3 email addresses with 10 MB space	\$29/mo. +\$5/mo. modem rental \$50 installation fee
Susquehanna 207-729-6663 suscom-maine.net	Brunswick and Freeport areas	1 email address with 10 MB space	Res. \$30/mo. Bus. \$52/mo. \$30 installation fee
Time Warner 800-833-2253 twmaine.com	York, Cumberland and Aroostook Counties	8 email addresses with 10 MB space	\$45/mo. No installation fee
SATELLITE			
Direcway 888-667-5537 direcway.com	Available statewide	5 email addresses with 10 MB space	\$60/mo. + \$600 equipment cost
Skycasters 800-853-0434 skycasters.com	Available statewide	2 email accounts	\$70/mo. + \$600 equipment & installation cost
Starband 800-478-2722 starband.com	Requires clear view of southern sky	20 email addresses with 10 MB space	\$70/mo. + at least \$500 equipment cost

**GET FREE ADVICE FROM THE
PUBLIC ADVOCATE'S TELECOM
TEAM ON JULY 20, 2005
IN PORTLAND, MAINE**

Come see us at the Maine Mall on July 20, 2005 from 10:00 to 5:00. Our staff will be happy to provide advice about the most economical telephone, wireless and Internet services for your needs. If you can't be there but would like to arrange for us to meet with a group of people in your area, please give us a call. Check our website for future events in other locations.



OPA Staff at the Maine Mall — July 7, 2004

**Public Advocate Office
112 State House Station
Augusta, ME 04333-0112**

Calling Plans **INTERNET SERVICES** **LOCAL COMPETITION** **Wireless Services**
SURCHARGES **BUSINESS PHONE RATES** **PREPAID SERVICES**
INTERNATIONAL SERVICES **TELECOMMUNICATIONS NEWS** *SHOPPING TIPS*

PUBLIC ADVOCATE AND STAFF:



**From left to right:
Wayne, Patty, Ron, Mary, Eric, Debbie, Steve & Bill**

**Electronic Version of the
Ratewatcher Now Available**

If you have Internet access and would like to receive the Ratewatcher electronically, we can send you an email containing the pdf file and a link to the web version of the guide. We will also notify you of any major updates between issues. To opt for an electronic subscription, please call 287-2445 and provide your email address. This will help us save on printing costs which have grown with the popularity of the guide and avoid a scheduled postage increase next year.

ELECTRICITY GUIDE

Maine Public Advocate Office

Volume 9 — November 2004

NEW GREEN RETAIL SUPPLY PRODUCTS

Last month, Maine Interfaith Power and Light (MeIPL), a non-profit company, introduced two new electricity supply products to compete with the standard offer. These products are called "MRE Green Supply 2" and "MRE Green Supply Plus". Both products are priced at a level expected to be about a penny to a penny and a half higher than the new standard offer. [see standard offer article below] MRE, or "Maine Renewable Energy", is the company that procures this power for MeIPL.

Enclosed with this Electricity Guide is a brochure prepared by MeIPL that we agreed to distribute to our readers. This brochure contains more information about green power and includes a card to use to sign up for their products. You may also sign up online at www.meipl.org. We agreed to enclose the brochure and to do this article for three reasons. First, it is a unique offering since there are no other competitors for residential customers. Second, the more people who purchase green power, the better will be the air quality in New England. Finally, the more green power is used, the less dependent we are on foreign oil.

Perhaps you are one of the 2500 or so Mainers who purchased the green power product originally offered by MeIPL in January 2003. This product is no longer available for newcomers, and those who signed up will continue to receive it, at the original price of 6.5 ¢/kWh, through the end of February. If you were an original purchaser and you wish to continue to buy green, you will need to sign up for one of
(Continued on page 2)

LIKELY STANDARD OFFER PRICE INCREASE COMING MARCH 1, 2005

The current standard offers for CMP and BHE residential customers both expire the last day of February 2005. We do not yet know the price for the next standard offer, but all signs indicate that it will go up significantly. This bad news results from the world price for natural gas which, because of the number of generators that use this fuel, sets the price for electricity in New England. The price for natural gas, in turn, is heavily influenced by the world oil price. (See chart on page 5.) The futures market for electricity supply in New England currently indicates that the next standard offer prices could be as much as 2¢ higher, perhaps even higher. This would mean at least a 7¢/kWh price. The PUC has begun efforts to hold the auction for the next standard offer, but will probably not make its final decisions until much later this year.

The PUC is using a more flexible standard offer bid process than in the past. Partly as the result of a request from the Public Advocate and the AARP, the Commission is seeking staggered rather than single bids. In other words, each bidder is being asked to bid up to five different "strips" of power. The first "strip" would be for one year, the next for two, the third for three, etc, with all beginning March 1. As each "strip" expires, the PUC will solicit replacement bids. This will allow for a more average, stable price over time. This will tend to reduce price spikes that occur. It may also, of course, counter the effect of periodically low prices. The PUC is holding open the option to sign up one single "strip" for one year; three steps for three years or five steps for five years. For a more detailed view, please consult the PUC's website at <http://www.maine.gov/mpuc/>.

Two New Green Products

MRE Green Supply 2: Price: 8.2¢/kWh* through February 2008. Source: 100% hydro from Lisbon's Worumbo Mill Dam.

MRE Green Supply Plus: Price: 8.7¢/kWh* through February 2008. Source: 80% hydro from Lisbon's Worumbo Mill Dam, 20% from new wind power.

*NOTE: MeIPL makes the following price disclaimer: "MRE will make every effort to hold these prices as long as possible. However, due to market changes, the price of both products may vary over time. Maine Interfaith Power & Light's website will show current prices for both products." In other words, these prices may change. Once you sign up, the contract price will not change for the duration of your contract with MeIPL.

WHAT'S INSIDE

- 1-2 New Green Retail Supply Products
- 1 Likely Standard Offer Price Increase Coming 3/1/05
- 2 Internet Through an Electrical Outlet
- 3-4 Solar Resources in Maine
- 5 Regional Green-house Gas Initiative: An Update
- 6 Maine Public Proposes A New Transmission Line

(continued) these new products -- there will be no automatic reenlistment. Contact MeIPL now and you will begin to receive the new product beginning on March 1, 2005 after your current contract expires.

MeIPL's original green supply came 50% from small hydro and 50% from biomass, all from Maine. MeIPL's two new products come 100% from zero emission sources.

MRE Green Supply 2 will come entirely from the Worumbo Dam in Lisbon Falls. Worumbo Dam is the only Low Impact Hydro Institute-certified small hydropower dam in the state of Maine. During any routine or unexpected outages at this plant, replacement power will come from other dams in Maine.

MRE Green Supply Plus is produced 80% from the Worumbo Dam and from 20% new wind electricity. The extra price for this product reflects the increased value (and cost) that comes with building and promoting new renewable power.

INTERNET THROUGH AN ELECTRICAL OUTLET?

What would it be like to have a high-speed Internet connection that was always on and that you could access anywhere you had an electrical outlet? A technology known as broadband over the power lines (BPL) promises to provide consumers with that very service. While it may be a while before it comes to Maine, there are currently about four dozen pilot programs deploying this technology, including one in Cincinnati, Ohio where over 16,000 consumers are experiencing broadband Internet comparable to both cable and DSL. There are also at least four fully commercial offerings in other states.



It works like this. The information signal rides along the power line but at a different frequency than the electricity. In order to reach your home, the electric utility must install devices to route the signal around existing electrical transformers. Once this is done, customers simply obtain a specialized modem one end of which plugs into any socket and the other goes to a computer.

Problems with full-scale deployment of BPL include the lack of standardized hardware in the BPL industry and the complaints of ham radio and other high frequency transmitters who assert that BPL interferes with their transmissions. An effort is currently underway dealing with the first issue, and the Federal Communications Commission (FCC) in Washington, a supporter of BPL, has recently issued a rule to deal with the second. Once these two issues are resolved (the rule may be appealed), we may see more BPL activity.

One of the main benefits of BPL would be the increase in competition for broadband access. The price of BPL is likely to be comparable to cable and DSL services. Another consumer benefit of BPL is that uploading speeds match the

download speeds, an improvement over current services that only offer this option at much higher price.

Electric utilities and their customers may also benefit as well, as BPL may lead to automatic meter reading, better understanding of outages and more information to help balance the electricity load during peak demand hours. Though there are still a few hurdles for BPL to jump, and possibly several years to wait, it is possible that BPL will be a major part of future technology.

None of Maine's investor-owned utilities have any current plans to offer BPL though each has said it is monitoring developments. Bangor Hydro has indicated that it would consider offers from BPL providers who wished to use their system for delivery of BPL.

SOLAR RESOURCES IN MAINE

Have you ever thought about installing a solar roof or system on your home? Here are some facts and tips to think about.

What is the Cost? The cost of installing a photovoltaic (PV) system on your house will depend on the type of system you want, how much power you want it to produce, and the difficulty of installation, all of which are dependent on the unique characteristics of your home. The cost varies between \$7 and \$10 per installed watt of power. Thus, a 2 kW system would cost between \$14,000 and \$20,000, not including batteries. Obviously, the analysis should not stop there, as you may be able to recover some or all of this investment over a term of years in the amount of utility bills you would avoid. This is a complicated analysis with many factors. At a minimum, consider the following incentives.

Photovoltaic (PV) refers to electricity generated directly from sunlight using panels wired directly to your home's electric system. This article discusses PV, not other uses of sunlight like solar hot water or space heating. For further information on PV go to the following US Department of Energy website: <http://www.eere.energy.gov/solar/photovoltaics.html>

First, Maine law allows for "net metering". A solar home may be connected to the electric grid. If it is grid-connected, the electric company has to allow your electric meter to run both forward and backwards allowing you to both take electricity from and return electricity to the grid. A net-metering consumer is allowed to "bank" for 12 months the difference between the energy their system has produced and the amount they take from the grid. During these 12 months, you may use one month's surplus generated by your rooftop system to reduce or eliminate a subsequent month's deficit. After 12 months, if you owe the utility money, you must pay the balance, but if the balance is on the side of the utility they do not have to pay you. This protects homeowners from licensing and regulation issues and is also intended to keep homeowners from installing PV systems that are larger than their needs.



Another incentive is that you may be able to sell the solar (or green) attributes of your system. In other words, because your PV system generates electricity without burning fossil fuels, it has value. There is now a market for "green tags" which are simply certificates that represent this value. While it is impractical, if not impossible, for individual homeowners to find buyers for their tags, there are brokers who may be willing to buy them from you for resale. One national program is Mainstay Energy Rewards, which buys three, five, or ten years worth of green tags for a one-time payment of up to \$170 per kW. Mainstay Energy, a private company, runs the program.

Finally, there may be incentives for Maine residents in the availability of federal loans from multiple government agencies, which help provide loans for installation of renewable energy. To search for incentives in a different state or updates for

the state of Maine, including a description of the Mainstay energy rewards, check out the Database of State Incentives for Renewable Energy at <http://www.dsireusa.org>.

Is there enough sun in Maine? It may seem as if Maine winters are too long and cold and the sun too low in the sky for solar energy to be worthwhile. It seems, however, that we make up for the decreased power of the sun up here in the north because it shines more often. In a study done by Sun Wize Technologies, a company that sells solar panel systems, Portland has a higher year around average of sunlight hours than 40 out of 100 cities included in the study. Caribou also did well in this study, having a higher average than 26 cities. Some of the more southern cities with lower averages were Washington, D.C., Pittsburgh, Pennsylvania, and Richmond, Virginia. This means Maine can be a good place for solar power.

Who can I talk to? There are many resources for solar technology in Maine, including many Maine based companies, a list of which can be found below. Another resource is the Maine Solar Energy Association (MESEA) which has both a website and newsletter. MESEA and the Maine Public Utilities Commission have also offered educational seminars on solar products building and installation. They are likely to offer these again as solar technology gains importance over the coming years.



Environmental and political benefits. In the long term, the initial investment in the technology may pay for itself; it may actually be cheaper than conventional generation. The up front costs are high, but the yearly maintenance costs are low, and the sunlight is free. The benefits that you can't put a price on are those that help the environment. Solar power burns no fuel and thus has zero emissions, reduces local air pollution, offsets greenhouse gases (which are responsible for global climate changes), conserves energy, and also reduces the need for dry-cell battery disposal. Finally, consider that many conventional generation methods consume non-renewable resources that must be imported, making us dependant on other countries. Finally, one other benefit: during prolonged power outages, you would have electricity if the sun shines or if you have battery back up.

Further information. For more information, consider the following resources:



House combines state-of-the-art energy efficient construction with solar hot water and solar electric systems to significantly reduce the amount of energy required from the local utility.



These roof shingles are coated with PV cells made of amorphous silicon. When installation is complete, the PV shingles look much like ordinary roofing shingles, but they generate electricity.

In Maine:

Maine State Energy

Program: a division of the Maine Public Utilities Commission, 18 SHS Augusta, ME 04333-0018, ph. 287-3831 website: <http://www.state.me.us/msep/index.html>

Applied Solar Concepts: Energy conservation products and services, solar heating, solar electric systems: 103 3rd St., Bangor, ME 04401, ph. 207-942-8036

Central Maine Solar: PV systems and installation: P.O. Box 56, Athens, ME 04912, ph. 207-474-8845

Dandy Solar Electric: PV systems and installation: P.O. Box 142, Prospect Harbor, ME 04689, ph. 207-963-7286

The Greenstore: PV systems, solar hot water, energy efficient appliances and more: 71 Main St., Belfast, ME 04915, ph. 207-338-4045, website: <http://www.greenstore.com>

Penobscot Solar Design: PV systems and installation, fully licensed electricians: 569 Back Ridge Rd., Penobscot, ME 04476, ph. 207-326-0779, website: www.penobscotsolar.com

Talmage Solar Engineering/Blue Link Solar: PV systems and installation, mail order catalog: 25 Limerick Rd., Arundel, ME 04046, ph. 877-785-0088, website: www.solarmarket.com or www.blueinksolar.net

Outside Maine, Mail Order Catalogs:

New England Solar Electric: PV equipment and appliances: P.O. Box 435, 401 Huntington Rd., Worthington, MA 01098, ph. 800-914-4131, website: www.newenglandsolar.com

Sunnyside Solar: PV seminars, PV equipment and appliances: 1014 Green River Rd., Brattleboro, CT 05301, ph. 802-254-4670, website: www.sunnysidesolar.com

Sunweaver: PV systems, solar hot water, appliances: 1049 1st NH Turnpike, Northwood, NH 03261, ph. 603-942-5863, website: www.sunweaver.org

Real Goods/Jade Mountain: PV systems, appliances and more: Real Goods/Jade Mountain, Customer Services, 360 Interlocken Blvd., Suite 300, Broomfield, CO 80021-3440, ph. 800-762-7325, website: www.realgoods.com

Many thanks to Stephanie Abbott who helped to research and write the articles on broadband and solar power. Stephanie, who grew up in Brooks, Maine, was our summer intern, and is now back at Wellesley College for her junior year.

REGIONAL GREENHOUSE GAS INITIATIVE: AN UPDATE

In the spring of 2004, a coordinated effort began in the Northeast to come to terms with the major underlying causes of global warming - hopefully with as much success as previous regional programs to control acid rain and NO_x and SO₂ pollution. Those previous efforts are credited with major reductions in pollutants that created the acid rain phenomenon. Those programs relied on a "cap-and-trade" system where total allowances for the emission of NO_x and SO₂ from power plant smokestacks and other sources were "capped" at a historic level with permission for individual sources to buy and sell "trading" allowances.

Public Advocate Steve Ward has served since June 2004 as a member of the Stakeholder Group of the Regional Greenhouse Gas Initiative (RGGI), providing advice to the environmental and utility regulators who are pursuing this strategy. RGGI is an effort of nine Northeast states (New York, New Jersey, Vermont, Massachusetts, Maine, New Hampshire, Rhode Island, Connecticut and Delaware) along with observers from the Canadian Maritimes, Pennsylvania and Maryland, to design a regional system for allowance trading for greenhouse gas emissions in the context of a regionally-mandated cap on such emissions. This initiative is consistent with previous actions taken jointly by the New England governors and Canadian Maritimes Premiers.

At a series of quarterly meetings, the RGGI Workgroup of regional regulatory officials meets with 34 stakeholders and alternates representing industrial users of power, generators of electricity, local utilities, consumer advocates and environmental organizations. At these meetings the Workgroup is making progress in finalizing a cap-and-trade system for the nine participating RGGI states. We expect this system, when implemented next year, to substantially reduce the release of greenhouse gases over time.

There may be some price impacts for electricity consumers as the costs of the RGGI program are reflected in wholesale power rates. However, because Maine is a regional leader in the generation of renewable power and in the implementation of electricity efficiency programs, price impacts may be substantially smaller here than in other states. In fact, because of the ability to trade allowances, generators of renewable power in Maine will command a substantially higher price for their output with the implementation of RGGI. This will mean a positive economic impact for much of rural Maine.

Spot Prices Settled



**Maine Public Advocate Office
112 State House Station
Augusta, ME 04333**

MAINE PUBLIC PROPOSES A NEW TRANSMISSION LINE

Maine Public Service has asked the Public Utilities Commission for approval to build a new 138 kv transmission line from the Canadian border in Hamlin to an existing MPS substation in Limestone. This line would be 10.5 miles long on the US side, and would join another new line to be built by New Brunswick Power on the Canadian side. The stated purpose of the line is to create a fourth "tie" between the New Brunswick power grid and the MPS grid. MPS says this new line is needed because beginning in 2006, there may not be enough power generation in the area. This would mean that if one of the existing NB tie lines were to fail, there could be a county-wide blackout. The Public Advocate has intervened in this case and has hired a power expert to examine MPS' case. This case is expected to conclude by early April, 2005.



ABOUT THE PUBLIC ADVOCATE OFFICE

Stephen G. Ward, the Public Advocate, and his staff of seven represent Maine's telephone, electric, gas, and water customers before the Maine Public Utilities Commission, the courts, and federal agencies. Our mission is to work for reasonably priced, safe, and reliable utility services for Maine people.

Website: <http://www.maine.gov/meopa> (Telephone 287-2445) **Email:** Eric.J.Bryant@maine.gov

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TEL. 207-287-2445
E-mail: Wayne.R.Jortner@maine.gov
http://www.maine.gov/meopa

RATEWATCHER TELECOM GUIDE

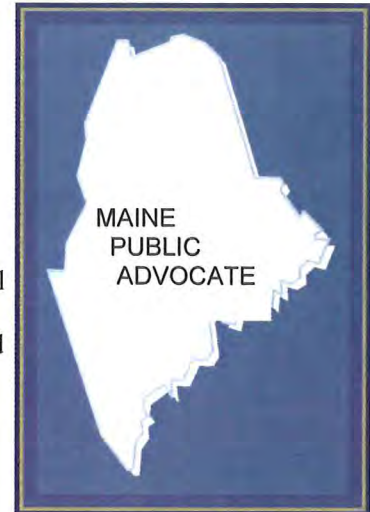
VOLUME 15

JANUARY 2005

RATEWATCHER TELECOM GUIDE

VOICE OVER INTERNET - IS IT READY FOR PRIME TIME?

The Regulatory Debate - VOIP (Voice over Internet Protocol) is often called a “disruptive technology.” It is disruptive because it represents a whole new way of making local and long-distance phone calls that bypass expensive equipment and are not subject to taxes and universal service contributions paid by traditional telephone companies. Recently the FCC announced that states may not regulate Internet-based telephone services, but failed to answer many troubling questions. For example, if rural phone companies lose their biggest customers to VOIP, will they need to substantially raise rates in order to serve their remaining customers who have no access to broadband and continue to rely on traditional local phone service? There’s also a concern that many VOIP services don’t reliably provide E911 service. Eventually, Congress may have to act in order to resolve the problems presented by two different sets of rules governing two similar services.



Is It Right For You? - VOIP customers should know that audio quality is not always as good as traditional phone service and that generally, VOIP will not work during a power interruption. However, VOIP services offer numerous high-tech advanced features that are either not available or are very expensive when offered by your traditional phone company. In addition, VOIP is a portable service – if you take your VOIP phone or adaptor to China and plug into a broadband connection, your phone can ring in China and generally, no additional charges apply. But the E911 emergency responders won’t find you in China – they may think you’re calling from your local residence, based on your phone number. Finally, you generally won’t find taxes, FCC line fees, universal service fees, or state-imposed surcharges on your VOIP bill (but Vonage has been known to charge the USF fee to customers even though it doesn’t directly contribute to the USF).

(continued on page 3)

THE BOTTOM LINE

Long-Distance Only – Touchtone and Pioneer are still the lowest-priced services while continuing to provide very good customer service. If you are served by an independent (not Verizon) local phone company, Touchtone is the clear choice.

Local Service – Small business customers have several options but savings depend on many factors. Residential customers have fewer options but may find significant savings on bundled services if
1) Your monthly long-distance usage is over 800 minutes; 2) Your instate long-distance usage is over 300 minutes; or 3) You use optional calling features. Such customers should consider bundled services from USA, IDT, MCI, Homefield or Verizon.

Prepaid Calling – Onesuite and AT&T/Sam’s are neck and neck but offer different benefits as shown on the prepaid comparison chart.

Wireless - Low-volume users should compare prepaid wireless offers. If you use over 100 minutes per month, compare the regular wireless plans. Your best choice depends on many details, including your location in Maine.

Internet – Broadband is best if you can get it. For dial-up, choose between low-cost national services such as 650dialup if it offers local calling access to your telephone number, or pay a bit more for a Maine company with local or statewide toll-free access, often with better customer service and features.

VOIP – A new choice for those with a broadband connection. Even moderate users can save money and replace their traditional local and long distance phone company, but quality, reliability, and/or emergency access issues may exist, depending on the provider. Currently, no VOIP service is likely to work when the power is out. Beware that VOIP services are unregulated.

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- 4 Local Service
- 5 Shopping Shortcuts
- 8-9 Long-Distance
- 10-12 Wireless
- 13-15 Internet

PROSPECTS FOR PHONE AND DSL COMPETITION LOOK BLEAKER BUT THE MAINE PUC CAN HELP

The last few years have not been good for small companies who offer local telephone services in competition with the giants like Verizon. The ability of small firms to access Bell company (e.g. Verizon) networks was the central theme of the Telecommunications Act of 1996. However, recent FCC and federal court decisions have narrowed that access and may result in decreased local competition. One glimmer of hope is that Maine's Public Utilities Commission will exercise its state authority to promote local competition and encourage the expansion of broadband services.

For example, Skowhegan Online, a one-man company in the Skowhegan area, has developed a clever way to extend high-speed DSL Internet service to rural customers who have no access to fast Internet services. This service requires access to unused Verizon wires in a way that is somewhat different from the exact "network element" that is available under federal rules. The PUC ordered Verizon to make that facility available and Verizon promptly appealed that decision to the Maine Supreme Court. This scenario is consistent with the Bell companies' strategy of using litigation to try to block competition whenever possible.

Another competitive service at risk is DSL service that relies on "line sharing" – the use of Verizon's wires to simultaneously provide DSL with Verizon's voice service. The Public Advocate and competitive providers have asked the PUC to maintain line sharing at affordable rates even though the FCC has decided to phase-out the requirement for Verizon to share its lines. This complex mix of changing federal rules and potential state authority has created enormous uncertainty for the industry and for consumers.

Broadband (high-speed Internet) availability has become more important, not only because it provides much better Internet access, but also because Voice Over Internet Protocol (VOIP) telephone service is expected to overtake traditional phone service over the next few years. Most VOIP services require a broadband connection.

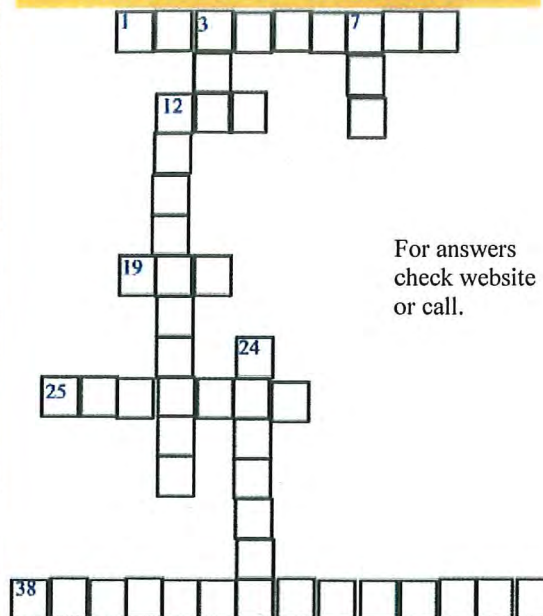
The Telecommunications Act of 1996 is, by all accounts, broken and a major rewrite of communications law is expected in the new Congress. Given the current influence of the Bell companies, we are not optimistic, but we will continue to fight for more competition and lower prices for consumers.



SEE US ON THE WEB

The Public Advocate website has been greatly improved. It is much more clearly organized and contains a wealth of updated information. Come visit us at www.maine.gov/meopa

NAME THAT COMPANY



For answers
check website
or call.

Puzzle by Natalie

Across

1. Low long distance rates in all parts of Maine with no monthly fee
12. Association of Maine's small rural phone companies
19. Maine's largest independent dialup & DSL ISP
25. It's a Maine-based-long-distance company
38. Offers TV, Internet & Telephone in L/A area

Down

3. A Maine-based local and long-distance company
7. We wrote this for you (acronym) (not a company)
12. Offers TV, Internet and VOIP in southern Maine
24. Serves more than 40% of U.S. population

SOMETIMES, NO NEWS IS BAD NEWS – STILL NO DECISION FROM THE MAINE SUPREME COURT

On May 12, 2004, the Maine Supreme Court heard oral argument, for the second time, on the Public Advocate's appeal against the PUC and Verizon. In that case, we challenged the PUC's refusal to ensure that Verizon's local rates are not excessive under applicable state law. After the Court sent it back to the PUC, the PUC still refused to conduct a rate analysis, arguing that it amounted to an impossible task. Unfortunately, the substantial delays in this litigation will make it unlikely that Verizon's customers will get much relief, because the applicable 5-year rate plan may run its course by the time the Court issues a decision. Because excessive rates are not subject to refund, ratepayers may be deprived of a fair result in this case, even if we win.

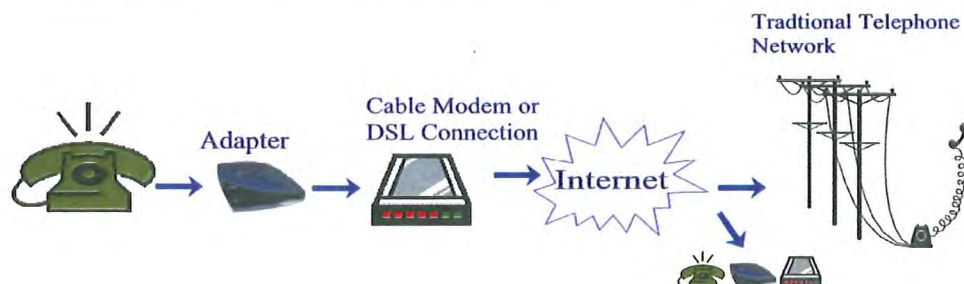
(VOIP continued from page 1)

WHAT'S FREE? If you have a broadband connection (e.g. DSL, cable-modem, broadband wireless, or broadband satellite), you can take advantage of VOIP now, and talk to anybody in the world, without paying a penny. Skype is a free service that provides good voice quality conversation from your computer (via microphone and speakers or headset) to any other Skype user with a computer. Skype also offers a low-cost service that will connect you to anyone with a telephone; rates to most countries are about two cents per minute (.017 Euros). Pulver's Free World Dialup is also free and you can use it without a computer, but you'll need to buy a special phone or download free software.

WHAT YOU GET AT THE HIGH END Time Warner's Digital Phone is a VOIP service available to many southern Maine and Presque Isle area customers. Unlike most VOIP services, Time Warner provides a 207 telephone number and allows you to transfer your current telephone number to the VOIP service. In addition, Time Warner says that its system is now fully compliant with Maine's E911 emergency response system while most other VOIP services cannot route emergency calls as reliably. But Digital Phone, priced between \$40 and \$50 per month, only makes sense for those who use over 400 minutes of long-distance calls or those for whom the added features are important.

SAMPLE OF VOIP RETAIL SERVICES

COMPANY	FEATURES	PRICE	NOTES
AT&T CALLVANTAGE att.com/callvantage	Unlimited to US & Canada (5,000 minute limitation)	\$30/month (\$30 activation fee) Europe - 5¢ to 7¢ Unlimited local - \$20/mo.	Promotion - 1 free month Early termination fee may apply if cancelled within 1 year Adapter included
TIME WARNER Digital Phone twmaine.com	Unlimited US and Canada	\$40/month (\$50 without Roadrunner) Europe - 8¢ to 22¢	207 # available Can keep your phone number E-911 compliant
VONAGE vonage.com	Unlimited US & Canada 500 Minutes	\$25/month \$15/mo. (3.9¢/min. after 500 included) Europe - 3¢ to 12¢	Plus USF fee Adapter included
VOICEPULSE voicepulse.com	Unlimited US 200 minutes interstate plus unlimited Maine	\$25/month \$15/month Europe - 5¢ to 9¢	207 # available Adapter included 1-year term
NET2PHONE net2phone.com	Unlimited US & Canada 500 minutes US & Canada 500 Western Europe	\$35/month Europe - 2¢ to 5¢ \$15/month \$20/month	Requires prepayment \$30 activation fee Requires \$100 adapter purchase
PACKET8 packet8.com	Unlimited US & Canada Unlimited Calls to Europe/Asia	\$20/month Europe - 2¢ to 3¢ \$30 per continent/month	Claims to be E-911 compliant \$30 Activation Fee Adapter included
SIPPHONE sipphone.com	Unlimited to other Sipphones May ring regular phone #s	Free to other Sipphones Reg. calls start at 1.9¢	Using telephone adapter (\$80) or computer software (free)
SKYPE skype.com	Unlimited PC to PC May ring regular phone #s	Free to other Skype users Reg. calls start at 2.2¢	Using computer mike/speakers
PULVER Free World Dialup pulver.com	Unlimited to other members (May ring regular phone numbers with separate service)	FREE	Can work with a special telephone or free software



LOCAL COMPETITION

Exhibit 6
Page 26 of 44

Business customers in Verizon territory have many options for local telephone service. Residential customers have a few options, but only those with high toll usage or a need for optional services, will find savings. Compare these rates to **Verizon's standard rates: Res.— \$17.58 economy, \$19.08 premium, Bus.— \$35.17 economy, \$38.28 premium.**

Name/Phone/Website	Business or Residential	Monthly Rates (Res./Bus.) (excluding surcharges & taxes)	Notes
ChoiceOne (800) 353-6000 (207) 432-1000 choiceonecom.com	B	Starting at \$23.30 per line \$27.70 w/8 features	Various exchanges in Maine including Ptld, Bangor & L/A area
Conversent (800) 275-2088 conversent.com	B	\$25 per line	Greater Portland area
CTC (800) 825-5282 ctcnec.com	B	\$27 to \$38 per line	
Direct Line (888) 619-4535 downeastcomm.com	B	B \$28 to \$35 (\$28 w/ 2-yr contract)	20% less for 1st 4 months
Excel (800) 875-9235 excel.com	R	\$32.45 to \$38.90* with 3 features	*depending on location and long-distance plan. Includes 100 LD minutes
Homefield Telecom (800) 887-1087 homefieldusa.com	R	\$22 including unlimited local service and 200 instate minutes Other calls -5¢ per minute	2 free features Alt. plans - Homefield Advantage (p.6)
Lightship (877) 548-7447 lightship.com	B	Rates range from \$26.36 to \$16.86 depending on volumes and types of selected services	
Mid-Maine (877) 643-6246 midmaine.com	B	B \$28 - \$32 R - \$49 - local/DSL bundle	Res. Service in Orono, Newport and other areas
MCI (877) 777-6271 theneighborhood.com	B & R	Unlimited local and long-distance Res. - \$50 Bus. - \$60	5 calling features included 1st month free
Norcom (877) 484-7283, (877) 885-9844, (888) 262-7864, norcomld.com	B & R	B \$24 to \$29 per line* R 5% below Verizon rate	*Depending on customer location
Oxford (800) 520-9911 oxfordnetworks.com	B & R	R -16.63 - \$19.72 B- \$34.51- \$37.93 R - \$40 (with 5 features) B - \$22.50 - \$32 depending on number of lines	Norway/South Paris Parts of Lewiston/Auburn Bus. service avail. in many areas in southern and central Maine plus Bangor
PineTree (866) 746-3873 pinetreenetworks.com	B	\$29 - \$35 per line	Portland/Lewiston areas
Time Warner (800) 833-2253 twcdigitalphone.com (Voice over Internet)	R	\$40 with digital cable or Roadrunner \$45 with analog cable TV \$50 without the above	Southern Maine only Includes unlimited long- distance, Caller ID, etc.
USA Telephone (877) 872-2800 savewithusa.com	B & R	R - \$20-\$25 with 3 features (depending on location) B - \$29-\$32 per line with 3 features (depending on location)	Local services bundled with 2.9¢ instate and inter-state LD minutes (B and R)

VERIZON LIMITS COMPETITION BY LINKING ITS LOCAL AND DSL SERVICES

Want to get high-speed DSL service from Verizon and local phone service from another phone company? Unfortunately, you can't. Verizon sells DSL only as a bundle with its local service. Moreover, Verizon's commonly advertised DSL rate of \$29.95 only applies if you combine it with a more expensive bundle of optional local services. This type of product bundling suppresses competition and forces consumers to pay higher monthly bills. We believe consumers should have the right to pick and choose each service separately, and buy it from whomever they choose. For different reasons independent DSL providers, like GWI, do not provide you with DSL service unless you keep your local service with Verizon. GWI's best rate of \$29.95 for DSL is \$5 lower than Verizon's standard DSL rate.

TELEPHONE SHOPPING SHORTCUTS

WHAT TYPE OF CUSTOMER ARE YOU?



I make very few toll calls, (fewer than 800 minutes per month) and I live in Verizon territory. I'm not interested in any optional features...

Consider switching long-distance to Touchtone or Pioneer (pages 8-9).
Keep Verizon for local service only.

I live in Verizon territory and use fewer than 800 toll minutes per month. I am interested in Caller ID, Call Waiting or Call Forwarding...

Consider switching local and long-distance service to USA Telephone (page 9) or Homefield (page 4, 6).



I live in Verizon territory and use more than 300 minutes per month of instate toll calls...

Consider Homefield Telecom (pages 4, 6).

I plan to use DSL service as my Internet connection in Verizon territory and want the most economical phone services. I use fewer than 800 minutes per month...

Keep Verizon for local service because, currently, most DSL providers will not provide DSL service if you switch your local service from Verizon. You should consider switching your long-distance services to Touchtone or Pioneer (page 8-9).



I live in Verizon territory and use more than 800 minutes per month...

Consider unlimited local and long-distance plans shown on page 7. IDT (p.7) is the cheapest at \$40 per month (not including standard surcharges and taxes). If you use DSL and want an unlimited plan, you'll probably be limited to one of the Verizon Freedom packages.

I am served by a local independent rural phone company...

Switch instate and interstate long-distance services to Touchtone. You have no alternative choices for local service, other than wireless and voice over Internet (page 9).



WHAT HAPPENED TO ALL THOSE AT&T ADS?

Last July, AT&T surprised many by announcing that it will no longer market its local or its long-distance services to residential customers. Such news would have been hard to believe in 1983 when AT&T was the monopoly local and long-distance phone company that carried virtually every call in the U.S. Although AT&T has stopped marketing to residential customers, it will continue to serve its existing customers and any new customers who want its service. However, as the Ratewatcher has suggested for the last several years, most consumers have better options than AT&T.

DO YOU RELY ON PREPAID CALLING FROM HOME? KNOW THE DISADVANTAGES AS WELL AS THE ADVANTAGES



1. You pay before you use the service and the minutes can expire – many customers never use all of the minutes they've paid for.
2. Dialing is less convenient
3. Busy signals and failed calls are more frequent, though still unusual.
4. All calls are rounded up to the next full minute, so the rate isn't as low as you might think, in comparison to a full service, direct dial plan, with 6-second billing.
5. If you run out of minutes, your call will be interrupted.
6. You may have to listen to advertising when making a call.
7. Most services don't provide a detailed list of calls so it's hard to know if your minutes are accurately accounted for.



1. Prepaid calling is a great way to call when away from home.
2. The rates are generally the cheapest available, but not necessarily for short calls (see item 4).
3. You avoid several surcharges that apply to normal long-distance service.

PREPAID CALLING — UPDATE



	Sam's Club/AT&T	OneSuite.com
US Rate 48 (states)	2.96¢	2.9¢
Western Europe	9¢	3¢ - 10¢
Canada	5.92¢	3.2¢
Other Fees	5% sales tax on initial store purchase and phone refills	None
How to buy?	Sam's Club (similar offers at BJ's & Costco) or renew by phone	www.onesuite.com
Expiration	24 months from activation or last recharge	6 months from activation or last recharge
Record of call	No	Yes via Internet
Use from Canada? Rate?	Yes 15¢	Yes 3.5¢* (* 2.5¢ from Montreal, Toronto, & Vancouver)
Payphone Charge	44¢	55¢
Special Features	Enhanced features offered at extra charge. Can use in many countries.	Many free enhanced features.
Customer Service #	800-530-6744	866-417-8483

BYE BYE BIGZOO

Bigzoo is terminating its prepaid calling service as of January 31, 2005, so use up your minutes or apply for a refund before then. See bigzoo.com for details.

Homefield Offers New Calling Plans

Homefield Telecom (homefieldusa.com, 1-800 887-1087), a new affiliate of USA Telecom, recently introduced new local and long-distance options. "Homefield Advantage" offers local service and unlimited calls within Maine for \$30 per month, including various free features. Interstate calls are priced at 3 cents per minute. This plan is attractive for customers who regularly use over 300 minutes of instate calls beyond the local calling area and for customers who pay extra for optional calling features. Add \$2/month for paper bills or check payments. Verizon offers unlimited local and state-wide calling with 5 features, for \$40/month.

Homefield also offers another option called the "Free Agent" plan. For \$22/month you get local service plus 200 minutes of instate calling and 2 free calling features. All additional calls cost 5 cents per minute. In comparison, Verizon's local service combined with its instate Pine Tree Calling Plan would cost \$35.68 without the features that Homefield includes.

VARTEC GOES "BELLY UP"

Vartec Telecom has filed for Chapter 11 bankruptcy protection in an attempt to restructure the company and its debts. Vartec claims that this will have no effect on its customers or operations, and that it will continue to provide service. However, as a result of increasing fees and the level of its rates, the Ratewatcher has not recommended most Vartec services for some time. Vartec provides subscribed calling plans, as well as pay per call services such as 10-10-811.

THINK BEFORE YOU CLICK TO AVOID INTERNET PHONE SCAMS

Don't remember calling Tuvalu, Guinea-Bissau or Lichtenstein lately? Many dial-up Internet customers have been surprised by strange and expensive phone bills for calls to exotic locations around the world. Frequently, the source of the problem is the careless click of a mouse on a pop-up ad. That simple click could cause your modem to dial very expensive phone numbers. It could also download a program to your computer that can hijack your modem repeatedly. Our advice: don't click on ads, invitations to contests, or games. If you get hit with a large bill for a call that you suspect to be part of a scam, make a complaint to the Public Utilities Commission (1800 452-4699) or call us for advice.

USF FEE IS RISING TO 10.7%

As a result of unnecessary new accounting rules imposed upon the USF by the FCC and because of growing demand for program benefits, the USF surcharge, which appears on telephone and wireless bills, has increased to 10.7%. In seeking to protect the USF programs and to minimize the USF rate, Senator Snowe has sponsored legislation to exempt the fund from unnecessary federal rules and Governor Baldacci has urged Congress to pass that legislation. The USF rate applies to interstate telephone usage, including the "line charge" on your local bill. The Public Advocate, as part of a national organization, is fighting to keep the USF affordable by advocating for a much more efficient USF. The USF is a \$7 billion fund that keeps phone rates affordable in rural areas, discounts phone service for low-income people, provides telecom and Internet services for schools and libraries, and subsidizes telemedicine.

PRIVACY ALERT

Customers may block Caller ID by dialing *67 before making a call or by ordering free per-line blocking. However another type of signal called ANI may still transmit your identity to certain businesses. That's why LL Bean may know who you are, even before you say a word. Caller ID Blocking may be ineffective in calls with large companies.

UNLIMITED LOCAL AND LONG-DISTANCE PLANS

NAMES	FEATURES	PRICE (excluding surcharges/taxes)	NOTES
AT&T One Rate USA 1-800-222-0300 att.com	Unlimited to U.S. 4 features*	\$55	*may choose 4 out of 11 features / Voicemail - add \$5
IDT Unlimited 1-800-254-1718 idt.net	Unlimited to U.S. 6 features	\$40	Voicemail available at extra charge
MCI Neighborhood 1-877-777-6271 mci.com	Unlimited to U.S. 5 features	\$50	Includes voicemail
Oxford Networks 1-800-520-9911 oxfordnetworks.com	Unlimited to U.S. & Canada 5 features	\$80	Lewiston/Auburn area only
Time Warner 1-800-833-2253 twmaine.com	Unlimited to US & Canada Advanced features	\$40*	VOIP Service *Up to \$50 w/o Roadrunner or Digital/Cable
Verizon Freedom 1-800-870-9999 verizon.com	Unlimited to U.S. & Canada 5 features	\$55	Includes voicemail Add \$30 for DSL

SAMPLING OF RESIDENTIAL & BUSINESS LONG-DISTANCE TELEPHONE PLANS AS OF JAN. 2005

COMPANY	AT&T att.com		MCI mci.com		Pioneer pioneertelephone.com	
FEATURED PLAN	One Rate 7¢		Nationwide Instate		Talk Cents	
(RESIDENTIAL)	Instate	Interstate	Instate	Interstate	Instate	Interstate
RESIDENTIAL per minute rate (excluding surcharges & taxes)	10¢	10¢	5¢	5¢	3.9¢	3.25¢
Monthly Minimum	\$9.00		none		none	
Monthly Fee	99¢		\$5.95		99¢*	
RESIDENTIAL SAMPLE MONTHLY COSTS :	INCLUDES 50% INSTATE/50% INTERSTATE MINUTES & MONTHLY FEES, EXCLUDING SURCHARGES & TAXES					
LOW @ 10 mins. per month	\$9.99		\$6.45		\$1.35	
MEDIUM @ 100 mins. per month	\$10.99		\$10.95		\$4.57	
HIGH @ 500 mins. per month	\$50.99		\$30.95		\$17.88	
HIGHEST @ 1,000 mins. per month	\$100.99		\$55.95		\$35.75	
Hawaii/Alaska	10¢		5¢		4.9¢	
RESIDENTIAL INTERNATIONAL RATES*						
Canada	6¢		4¢		7.5¢	
Germany	10¢		8¢		6¢	
Greece	10¢		8¢		8¢	
Israel	8¢		10¢		7¢	
Egypt	35¢		39¢		33¢	
Vietnam	55¢		55¢		61¢	
AVAILABLE IN RURAL INDEPENDENT AREAS?	yes		yes		no	
(BUSINESS)	Instate	Interstate	Instate	Interstate	Instate	Interstate
Business per minute rates (excluding surcharges and taxes)	15¢	6.9¢*	10¢	6¢	3.9¢	3.25¢
Monthly Minimum	\$25.00**		\$10.00		none	
Monthly Fee	none		none		99¢*	
PICC Charges (per line)	\$3.35		\$5.00		\$4.21	
In-bound 800 Rates	6.9¢***	6.9¢***	10¢*	6¢*	3.9¢**	3.25¢**
TO SUBSCRIBE, CALL:	1-800-222-0300		1-800-444-3333		1-888-492-6878	
NOTE: Surcharges are not included in the rates shown.	*Interstate business rate drops to 6.5¢ with online billing and \$1 international fee requires online billing. **If \$25 business minimum is not met, monthly fee of \$14.95 applies. ***Toll free service fee \$10/mo. Bus. - 2.98% regulatory surcharge. Note - AT&T charges additional non- standard surcharges.		*\$5/mo. fee and \$10 monthly minimum for 800 inbound service. Fee waived if usage is over \$50. Note - MCI charges additional non-standard surcharges.		*99¢ fee waived w/online billing or usage over \$15 **99¢/mo. per 800 number. Alt. Plans - Rate Buster 3.5¢ instate/2.7¢ interstate with 1-minute billing. 6 second billing. Pioneer is a Maine company. 1.9¢/min. to call other Pioneer customers. Late payment causes rates to double.	
\$5 fee to change carrier is often covered by new carrier upon request.						
PICC charges (a per-line access charge) apply to multi-line business customers only.						
1-minute billing unless otherwise noted. An average customer will save about 10% as a result of 6-second billing.						
*Beware that international calls to mobile phones may be priced higher.						

SAMPLING OF RESIDENTIAL & BUSINESS LONG-DISTANCE TELEPHONE PLANS AS OF JAN. 2005

COMPANY	Telrite telrite.com		Touchtone touchtone.net		USA savewithusa.com		Verizon verizon.com	
FEATURED PLAN	3.9¢ Plan		4.25¢ Plan		Straight Talk *		5¢ Plan	
(RESIDENTIAL)	Instate	Interstate	Instate	Interstate	Instate	Interstate	Instate	Interstate
RESIDENTIAL per minute rate (excluding surcharges & taxes)	3.9¢	3.9¢	4.25¢	4.25¢	2.9¢*	2.9¢*	7¢	5¢
Monthly Minimum	none		none		none		none	
Monthly Fee	\$2.00*		none		None*		\$4.95	
RESIDENTIAL SAMPLE MONTHLY COSTS :	INCLUDES 50% INSTATE/50% INTERSTATE MINUTES & MONTHLY FEES, EXCLUDING SURCHARGES & TAXES.							
LOW @ 10 mins. per month	\$2.39		43¢		29¢		\$5.55	
MEDIUM @ 100 mins. per month	\$5.90		\$4.25		\$2.90		\$10.95	
HIGH @ 500 mins. per month	\$21.50		\$21.25		\$14.50		\$34.95	
HIGHEST @ 1,000 mins. per month	\$39.00		\$42.50		\$29.00		\$64.95	
Hawaii/Alaska	6.5¢		15¢		16¢/19¢		5¢	
RESIDENTIAL INTERNATIONAL RATES*								
Canada	5¢		5¢		7¢		5¢	
Germany	6¢		5¢		6¢		10¢	
Greece	14¢ + \$2/mo.		9¢		8¢		10¢ + \$4/mo.	
Israel	9¢		7¢		7¢		10¢	
Egypt	7¢		21¢		29¢		38¢	
Vietnam	64¢		51¢		58¢		55¢	
AVAILABLE IN RURAL INDEPENDENT AREAS?	no		yes		no		most areas	
(BUSINESS)	Instate	Interstate	Instate	Interstate	Instate	Interstate	Instate	Interstate
Business per minute rates (excluding surcharges and taxes)	3.9¢	3.9¢	4.25¢	4.25¢	2.9¢*	2.9¢*	7¢*	7¢
Monthly Minimum	none		none		none		none	
Monthly Fee	\$2.00*		none		none*		\$8.50	
PICC Charges (per line)	\$2.95		\$1.50		\$2.75		none	
In-bound 800 Rates	3.52¢	4.05¢	4.25¢	4.25¢	7.9¢**	7.9¢**	7¢**	7¢**
TO SUBSCRIBE, CALL:	1-888-619-4535		sold only by agents*		1-877-872-2800		1-800-585-4466	
NOTE: Surcharges are not included in the rates shown.	*No monthly fee when usage exceeds \$20.		*Touchtone Agents in Maine: 1 888 594-2500 1 800 619-2537 1 877 885-9844 1 877 484-7283 1 888 345-1488 1 866 764-8001 1 888 262-7864		*These rates apply to USA's local/long-distance bundle. See p. 4. for details.		*Lower Bus. rates avail. (e.g. 6¢ with \$24 minimum)	
\$5 fee to change carrier is often covered by new carrier upon request.	6-second billing for business customers and 1- minute billing for residential customers.		6-second billing.		**800 service fee - \$6.00 per line.		**\$5/mo. fee applies to 800 inbound service.	
PICC charges (a per-line access charge) apply to multi-line business customers only.	These rates available through Downeast Comm. as agent.		Lower rate may be available for high-volume customers.		USA is a Maine-based company.		Alternate Plans include - Bus. Simple Options, e.g. 5.2¢/min w/ \$250 minimum	
1-minute billing unless otherwise noted. An average customer will save about 10% as a result of 6-second billing.			Plan sold through independent agents only.				Res. Instate - Pine Tree plan \$5.40 monthly minimum (incl 60 min). 8¢ for each add'l min.	
*Beware that international calls to mobile phones may be priced higher.							6-second billing applies to business. plans.	
							International rates are much higher without advance sign-up and monthly fee	

WIRELESS DEPARTMENT

CHANGES IN MAINE'S WIRELESS MARKET



Merger of AT&T Wireless With Cingular - This merger will increase the former "Bell" Companies' control of the wireless market. Cingular is principally owned by Bell South and SBC (two of the 4 remaining Bell companies) while Verizon (another former Bell company) is a principal owner of Verizon Wireless. In addition, competitive choices will be diminished because of the merger of two large players in a market with relatively few participants. However, Maine's AT&T customers may benefit from the merger. Since November, Cingular has made mobile to mobile calling available between all 46 million Cingular and AT&T customers. In addition, Cingular has added its rollover minute plans as an available feature for AT&T customers. Overall, AT&T Wireless customers should expect to see stronger coverage in other parts of the U.S. However, these changes are not automatic – you may need to sign up for a new plan. Beware that by accepting new features, you may obligate yourself to a new contract term.

US Cellular and Unicel Are Expanding Coverage - US Cellular has recently moved aggressively into the Portland market and has been offering attractive promotions to win new customers there. In addition, both US Cellular and Unicel are planning to expand service to certain unserved high-cost rural areas in Maine, using federal subsidies. As a result of being designated as eligible to receive such subsidies, Unicel is now subject to certain billing rules of the Public Utilities Commission. The same will apply to US Cellular after it completes that eligibility process.

New Rights For Wireless Customers - As a result of a settlement with Attorneys General of many states, including Maine, major wireless carriers have agreed to new consumer protection standards. The settlement provides that consumers shall have access to more detailed coverage maps before signing up for service, consumers shall have at least 14 days to cancel new service contracts without penalty, and carriers must more clearly disclose important terms of wireless agreements in their ads and contracts. The settlement was made only with Verizon, Sprint and Cingular, but we hope that all wireless companies will comply.

WIRELESS COMPANIES ARE OFFERING MORE MINUTES BUT TRYING TO KEEP THEIR CUSTOMERS CAPTIVE LONGER


Free phones, lots of minutes, unlimited off-peak minutes, and fancy features are all nice things to have, but, of course, there's a darker side. There's a growing trend to require a two-year contract in order to get the latest promotions. All else being equal, it's always better to have a shorter, rather than a longer contract. That's because prices generally decline over time while plan features and benefits tend to increase over time. For example, although US Cellular recently entered the Portland market with attractive promotions, customers who are locked into a new two-year contract might be faced with an early termination penalty of as much as \$200 in order to take advantage of new options.

Before signing up for two years, carefully compare the incremental benefit to the terms of a one-year contract. Make sure those benefits are worth the risk of paying an early termination penalty should you later want to terminate service or switch plans. It's also a good idea to negotiate – try offering to sign a one-year contract with all the benefits of the two-year promotion -- or else you'll go to a competitor. Some wireless companies will waive the two-year requirement in order to keep you as a customer.

Remember, before signing up for any wireless plan, consider the following:

1. **How good is the signal quality where you use the service?** Get the cancellation policy in writing – you should be able to cancel within 14-30 days, with no further contract obligations.
2. **How many minutes will you use each month?** Too many minutes may mean your monthly rate is higher than necessary – too few means you'll pay for expensive extra minutes. If you use fewer than 100 minutes per month, a prepaid service (p. 12) might save you money.
3. **Where will you use the phone?** If you use the phone outside of your designated home area, you'll pay for expensive "roaming" minutes. If you choose a national plan because you travel all around the U.S., make sure the national plan covers your likely roaming. Some national plans offer very spotty "national" home areas.

SAMPLE OF MONTHLY FEE WIRELESS PLANS (see page 12 for Prepaid Services)

	Cingular (AT&T) cingular.com (800-331-0500)				US Cellular uscellular.com (888-944-9400)						Unicel unicel.com (800-336-4455) - local — (800-462-3558) - national						Verizon verizon.com (800-256-4646)				
	Nation		Family		Local		Regional		National (Span America)		Local Unlimited Round the Clock		Regional 10 Plus		True Nation- wide		Local Digital Choice		National America's Choice		Single Rate
Monthly Fee	\$30	\$40	\$50	\$60	\$25	\$40	\$35	\$40	\$35	\$50	\$40*	\$50	\$40	\$40	\$50	\$40	\$60	\$40	\$60	\$55	
Anytime Minutes	250	450	600	850	125	1000	500	650	200	400	unlimited		500	450	600	400	700	400	800	400	
Offpeak Minutes	1000	5000	Unlimited		0	Unlimited - \$4.95 extra					Unlimited					Unlimited			0		
Cost per extra minute	45¢		40¢	35¢	40¢						0		49¢	40¢	45¢	40¢	45¢	40¢	35¢		
Cost of extra lines	N/A	\$20		\$10	NA	\$15	\$20		N/A		N/A		\$20		\$20			N/A			
Toll Rate (Per Minute)	0				0						0					20¢		0			
Roaming Rate (Per Minute)	0				30¢ - 69¢		69¢		0		15¢ - 69¢ by location	20¢ - 69¢ by location	49¢ - 69¢		0	69¢			0		
Toll Free/ Roaming Free (Home) Area	Much of US				ME, NH, VT (Excludes Portsmouth Area)		ME, NH, VT, MA, RI, CT, NY, NJ, PA		Most of US		Choice of Southern ME or Northern ME Zone	Parts of ME, MA, NH, VT, NY	ME, NH, VT, MA, CT, RI , NY, PA, NJ, DE, MD		Most of US		Most of ME, NH, VT		Most of US		All of US
Notes	Rollover and unlimited mobile to mobile minutes start at \$40. Extra \$1.25 "regulatory fee" applies to all plans. AT&T wireless has been acquired by Cingular.				*Digital plans of \$35 and higher can add: -Unlimited Local night and weekend minutes for \$4.95/month. -3,000 Regional night and weekend minutes for \$6.95/month. 96¢/month "regulatory fee",						**"Family Time" offers 1000/4500 minutes in all 4 zones for \$40. Unicel is now subject to the PUC's billing and collection rules as a result of a recent order making it eligible for federal subsidies.					Verizon markets plans in Cumberland, Androscoggin, Sagadahoc & York Counties.					

Roaming charge - applies when calling from outside home area.

Toll rate - applies only in some local plans when call destination is outside home area (applicable to some local plans only).

Important - call and check websites for latest promotions and always verify coverage quality in area of use.

Activation fees - (\$25 to \$36) often apply but are sometimes waived upon request when purchasing online, or when signing 2-year contract.

Cancellation fees - (\$150 to \$200) generally apply if you cancel service before expiration of contract term.

Cost of Phone - Phone is often free when signing a 1 or 2-year contract. Ask about current promotions.

Right to terminate - Carriers reserve the right to terminate service if 50% of usage occurs outside of their licensed area.

Features - Most plans include Caller ID, Call Forwarding, Call Waiting, 3-Way Calling, Voicemail, and other advanced features.


NOTE— For minimal or emergency usage, see prepaid plans (see page 12).

Beware that the phone offered with wireless plan may not be compatible with other wireless plans when you change service. Beware that many advertised promotions require two-year contracts, which should be avoided.

Dial 611 from cellular phones for customer service. 911 emergency calls (not E-911) may work from cell phones even without activation.

Each carrier offers many other plans.

SAMPLE OF PREPAID WIRELESS PLANS (see page 11 for Monthly Fee Plans)

	 Tracfone (tracfone.com) sold at local retailers (800) 867-7183	US Cellular TalkTracker Flex (uscc.com) (888) 944-9400	AT&T Free2Go (attwireless.com) (800) 888-7600	Verizon Pay As You Go (verizonwireless.com) (800) 256-4646	Unicel SmartPay/SmartMinute (unicel.com) (800) 244-9979
Initial Cost - Including phone & starting minutes	\$60 to \$100 (includes 10 minutes)	\$100 (includes \$20 air time)	\$60 to \$100 (includes 40 minutes)	\$130 - \$150 (includes \$15 airtime)	\$60 to \$100 (no minutes included)
Home Area	Much of Maine	ME, Southern VT, NH (except Portsmouth area)	Most of US	Cumberland, Androscoggin, Sagadahoc Counties and much of US	Most of Central and Northern Maine—Parts of NH, VT, MA and NY (see map)
Airtime Rate Per Minute	20¢ to 63¢*	35¢ day 10¢ night/weekend	25¢*	10¢ (plus 25¢ per call connection fee)	49¢
Roaming Charge Per Minute	Double the airtime rate	99¢	69¢**	99¢*	\$1.25
Toll Charge - Per Minute	0	0	0	0	20¢
Minimum Recharge Dollars	\$20	\$15	\$10	\$15 on line \$30 in store	*\$10
Expiration of Minutes (days)	60 - 365 (depending on card chosen)	60	90 - 365* (depending on card chosen)	30 - 120 (depending on card chosen)	**None
Minimum Annual Cost (Does Not Include Cost of Initial Package or Roaming Calls)					
10 minutes/month	\$95 (1 - \$95 365-day refill)	\$90 (6 - \$15 refills)	*\$30 (3 - \$10 90-day refills)	\$165 (11 - \$15 30-day refills)	\$60
50 minutes/month	\$180 (6 - \$30 60-day refills)	*\$156 (6 - \$26 refills)	*\$100 (1 - \$100 one-year refill)	\$165 (11 - \$15 30-day refills)	\$300
100 minutes/month	\$300 (6 - \$50 60-day refills)	*\$210 (6 - \$35 refills)	*\$200 (2 - \$100 one-year refills)	\$165 (11 - \$15 30-day refills)	\$600
NOTES Customers who use more than 100 minutes per month should consider regular monthly fee cellular plans. Watch for and ask about promotions.	*Depending on number and duration of minutes purchased. ----- *You can double your minutes by paying \$15 per month or \$150 per year. ----- Roaming coverage in most of US. ----- Minutes rollover.	Minimum annual cost of minutes calculated at day time rate. ----- *Bonus minutes with refills of \$25 or more. ----- Talk Tracker to Talk Tracker 10¢ min. ----- Minutes rollover when you buy additional minutes.	*Price drops to 15¢ per minute with \$100 refill. \$100 refill minutes expire in 365 days. ----- **85¢ per minute in Canada. ----- Minutes rollover.	*Roaming charges (not included in annual cost shown) would apply outside of Southern Maine and Lewiston areas and when off-network anywhere in US. ----- Minutes rollover when you buy additional minutes..	Roaming charges apply in Cumberland, Androscoggin, Sagadahoc, Hancock and Washington Counties. ----- *Minimum of \$20 start-up minutes. ----- **Requires one call per 60 days.

INTERNET DEPARTMENT

INTERNET SERVICE SHOPPING TIPS

Broadband is best if it's available in your area and if you can afford it. DSL and cable-modem services offer comparable speeds but DSL, where available, is generally less expensive. DSL speeds are fixed while cable speeds can vary based on usage in your neighborhood. Neither service ties up your phone line.

If you choose dial-up, you may select a low-priced (even free) national service (often with limited customer service quality) – or you may choose a Maine-based company (often with excellent customer service) providing local or toll-free access, and pay a bit more.

TRUE OR FALSE? – YOU CAN PAY MORE FOR FASTER DIAL-UP

Many dial-up Internet services advertise a faster or premium dial-up connection for an additional \$4 or \$5 per month. Such ISP's increase your speed by compressing the data that forms web pages and email before it is transmitted by your ISP. You are provided with software that decompresses the data when it hits your computer. In essence, less data is sent over telephone wires, allowing the information that forms your web pages and email to flow more quickly. If you find your connection to be too slow and you can't get a broadband connection, this is worth a try.

SAMPLE OF RESIDENTIAL INTERNET SERVICES IN MAINE

COMPANY	FEATURES	PRICES
STATEWIDE TOLL FREE DIAL-UP		
CC Net — 207-443-2211 — clinic.net	3 email addresses with 5 MB space	\$17.50 to \$20/mo. No setup fee
Dial Maine — 800-624-6380 — dialmaine.com	5 email addresses with 100 MB space	\$16 to \$20/mo. No setup fee
GWI — 866-494-2020 — gwi.net	2 email addresses with 40 MB space	\$9@10 hrs. / \$16@40 hrs. \$20 to \$23/mo. unlimited \$15 setup fee
MFX Internet — 877-432-7637 — mfx.net	1 email address with 5 MB space	\$20/mo. \$20 setup fee
Midcoast Internet — 207-594-8277 — midcoast.com	3 email addresses with 20 MB space	\$18 to \$20/mo. @ 300/hrs. \$10 setup fee
Mid-Maine — 877-643-6246 — midmaine.com	5 email addresses with 20 MB space	\$15 to \$18/mo. No setup fee
MPDU — 800-721-1063 — mpdu.com	4 email addresses with 5 MB space	\$15/mo. No setup fee
NNEI — 866-500-6634 — nnei.net	1 email address with 5 MB space	\$19 to \$22/mo. No setup fee
Panax — 888-452-5100 — panax.com	3 email addresses with 5 MB space	\$14.92 to \$19/mo. No setup fee
Points South — 866-490-0100 — psouth.com	1 email address with 10 MB space	\$15.83 to \$19.50/mo. No setup fee
Prexar — 800-288-5072 — prexar.com	2 email address with 6 MB space	\$20/mo. @ 250 hours
Verizon — 877-483-5898 — verizon.com	1 email address with 10 MB	\$20/mo. @ 150 hours \$23/mo. - unlimited \$10 fee or signup online
XpressAmerica Internet Service — 888-504-6200 — xpressamerica.net	5 email addresses with free personal web space	\$13 to \$15/mo. No setup fee

COMPANY		FEATURES	PRICES
NATIONAL ISP'S (Dial-up)			
550access.com — signup online — 550access.com		1 email address with 5 MB space	\$5.50/mo. @ 150 hrs. \$9/mo. @ 300 hrs. with accelerator \$7 setup fee
650dialup.com — 866-255-2164 — 650dialup.com		5 email addresses with 10 MB space	\$6.50/mo. \$8 setup fee
AOL — signup online — aol.com		Multiple email addresses	\$23.90/mo.
AT&T Worldnet — 800-400-1447 — att.com		6 email addresses with 60 MB space	\$12/mo. No setup fee
Earthlink — 800-327-8454 — earthlink.com		8 email addresses with 10 MB space per email address	\$22/mo. \$25 setup fee
Juno/Netzero — 888-349-0029 — netzero.com juno.com		Email on the web with 10 MB space	\$10/mo. \$15/mo. with accelerator
Localnet — 888-488-7265 — localnet.com		5 email addresses with 5 MB space	\$10/mo. \$13/mo. with accelerator
Peoplepc — 877-947-3327 — peoplepc.com		Webmail with 10 MB space	\$11/mo. \$16/mo. with accelerator
USAdatanet — 800-290-2655 — usadatanet.com		Unlimited email addresses	\$10/mo. \$15/mo. with accelerator
COMPANY	AREA SERVED	FEATURES	PRICES
WIRELESS HIGH SPEED INTERNET			
Clinic.net 207-443-2211 clinic.net	Available in parts of Cumberland, Androscoggin, Sagadahoc, Lincoln, and Aroostook counties	3 email addresses with 5 MB space	Res. \$40/mo. Bus. \$60/mo. \$100 setup fee + \$10/mo. equipment lease
Downeast Wireless 207-667-7414 downeastwireless.net	Available in Ellsworth area	3 email addresses with 5 MB space	\$50/mo. \$450 to \$700 setup fee
MFX Internet 877-432-7637 mfx.net	Presque Isle, Caribou, Mars Hill, Houlton, and Sleepy Hollow	10 email addresses with 5 MB space	\$50/mo. Plus \$8 each additional PC \$200 setup fee
Midcoast Internet 207-594-8277 midcoast.com	Various locations in the mid-coast area	4 email addresses with 20 MB space	\$50/mo. \$295 setup fee
Pioneer Wireless 866-335-1254 pioneerwireless.net	Northern Maine - Medway to Fort Kent	3 email addresses	Res. \$35/mo. Bus. \$45/mo. Setup fee \$99 - \$199
DSL HIGH SPEED INTERNET			
LOCAL PHONE COMPANIES	Usually within 3 miles of phone company central office	Call local phone company for details	Res. (\$30/mo. - \$60/mo.) Call company for rates
Acadia Net 800-994-6375 acadia.net	Augusta, Bangor, Bar Harbor, Biddeford, Brewer, Brunswick, Ellsworth, Lewiston, Orono, Portland, Waterville, Winslow	5 email/residential - 10 email/ business - with 50 MB space	Res. \$30-\$55/mo. Bus. \$80-\$120/mo. Bus. \$250 setup fee
GWI 866-494-2020 gwi.net	Available in 40 exchanges within Verizon's territory	5 email addresses with 40 MB space	Res. \$30/mo. Bus. \$50/mo. No setup fee
MXF Internet 877-432-7637 mfx.net	Presque Isle, Caribou and Houlton areas	10 email addresses with 5 MB space	Res. \$35/mo. Bus. \$60/mo.
Midcoast Internet 207-594-8277 midcoast.com	Available throughout Maine in selected exchanges	4 email addresses with 20 MB space	\$35/mo. Verizon customers \$60/mo. Non-Vz customers \$75 setup fee
Midmaine 877-643-6246 midmaine.com	West Enfield, Levant, Plymouth - Later this year in Alton and Passadumkeag	5 email addresses with 20 MB space	Res. \$30/mo. Bus. \$60/mo. \$75 installation fee & \$150 equipment fee

COMPANY	AREA SERVED	FEATURES	PRICES
Oxford Networks 800-520-9911 oxfordnetworks.com	Lewiston/Auburn (not all areas yet) and Norway/South Paris	5 email addresses with 10 MB space	Res. \$38/mo. Bus. \$60-\$80/mo.
Verizon 877-483-5898 verizon.com	Available in much of Verizon territory	9 email addresses with 10 MB space	Res. \$35/mo. Bus. \$60/mo.
CABLE MODEM HIGH SPEED INTERNET			
Adelphia 888-683-1000 adelphia.net	Central Maine area.	Multiple email addresses with 10 MB space	Res. \$43/mo. Bus. \$70/mo. Install. fee varies +\$5/mo. modem rental
Comcast 888-633-4266 comcast.com	Berwick, So. Berwick, Eliot & Kittery	7 email addresses with 10 MB space	\$43/mo. cable TV customer \$58/mo. non-cable TV customer
Metrocast Online 800-695-2545 metrocastcablevision.com	Acton , Lebanon, Sanford, Shapleigh, Springvale	2 email addresses with 40 MB space	\$35/mo. +\$5/mo. modem rental \$100 installation fee
Pine Tree Cablevision 800-220-3320 ptc-me.net	Machias area	3 email addresses with 10 MB space	\$29/mo. +\$5/mo. modem rental \$50 installation fee
Susquehanna 207-729-6663 suscom-maine.net	Brunswick and Freeport areas	1 email addresses with 10 MB space	Res. \$30/mo. Bus. \$52/mo. \$29.95 installation fee
Time Warner 800-833-2253 twmaine.com	York, Cumberland and Aroostook Counties	8 email addresses with 10 MB space	\$45/mo. No installation fee

ANOTHER VIEW

To The Editor:

The Telephone Association of Maine (TAM) read with great interest the article in the most recent *Ratewatcher* entitled "Customers of Rural Independent Companies Get Higher Rates and Lag in New Services." As the "Independent Companies" referred to in the article, we must admit to being perplexed by the headline and some of the content of the piece.

TAM has great respect for the Office of the Public Advocate (OPA) and the work it does. The *Ratewatcher* is wonderful resource for the consumers of telephone services in Maine. However, to the extent that the OPA provides information (even though unintentionally), it falls short of its mission of helping those consumers make information decisions. The disadvantages listed are not caused by our members or any other single cause. Nor are they limited to rural areas served by Independent Companies. All rural areas have higher costs for providing service. Rural areas are less attractive to new competitors. Regulatory and legislative requirements have caused local rates to rise. New technologies have limitations that make deployment of broadband services more difficult in rural areas. Even with all these hurdles, the independent telephone companies of Maine equal or exceed the variety, availability and quality level of services offered by others in the industry.

While TAM applauds the OPA for considering ways to bring more options to consumers in rural Maine, it is not necessary to assign blame to work toward this goal. Independent Telephone Companies in this state have a long and distinguished history of serving their communities and offering those consumers up-to-date and technologically advanced services including broadband. But there are things that we cannot do. We cannot force competitors to serve rural areas. We cannot disobey the law or regulatory imperatives. We cannot change the rural nature of the areas we serve.

We can work hard to make sure that our customers have available to them all the state-of-the-art services that they deserve, and that our communities have the resources to attract new economic opportunities, even including competitive ones. We are proud of our efforts to do so. We look forward to working with all those who have the same goal, including the Office of the Public Advocate.

Robert Souza, President
The Telephone Association of Maine

Editor's Note - The article referred to by the Telephone Association of Maine (TAM) did not state, nor did it imply, that TAM members were to blame for rate increases or the unavailability of certain competitive services in their territories. There was nothing misleading or factually incorrect in that article. Interested readers may see the piece from our July issue at www.maine.gov/meopa. The Public Advocate will consider publishing letters from any interested readers.

Public Advocate Office
112 State House Station
Augusta, ME 04333-0112

Calling Plans **INTERNET SERVICES** **LOCAL COMPETITION** **Wireless Services**
SURCHARGES **BUSINESS PHONE RATES** **PREPAID SERVICES**
INTERNATIONAL SERVICES **TELECOMMUNICATIONS NEWS** **SHOPPING TIPS**

PUBLIC ADVOCATE AND STAFF:



From left to right:
Eric, Steve, Wayne, Patty, Debbie, Bill, Mary & Ron

STILL CONFUSED?

**GET FREE ADVICE FROM
THE PUBLIC ADVOCATE'S
TELECOM TEAM ON
MARCH 9, 2005
IN AUBURN, MAINE**

Come see us at the Auburn Mall on March 9, 2005 from 10:00 to 5:00. Our staff will be happy to provide advice about the most economical telephone, wireless and Internet services for your needs. If you can't be there but would like to arrange for us to meet with a group of people in your area, please give us a call. Check our website for future events in other locations.

ELECTRICITY GUIDE

Exhibit 6
Page 39 of 44

Maine Public Advocate Office

Volume 10 — April 2005

“Prices for Electric Supply Went Up in March ... But The Sky is Definitely Not Falling”

Stephen G. Ward, Public Advocate

Why do I tell people that Maine actually isn't doing poorly with restructured electricity markets, even with a 2¢ per kilowatt-hour increase in March for Bangor Hydro and CMP's supply prices? Those increases have pushed CMP's total rate for delivery and supply to 13.4¢ and Bangor Hydro's total rate to 15.5¢ per kWh. Surely, that isn't good news. It's not good news but

...Here are some reasons why I for one don't think the sky is falling. First, the rising tide of high oil and natural gas prices that is behind the Standard Offer increases in March has affected virtually all utility customers in the Northeast since electric supply has been restructured/deregulated, from Maine to the District of Columbia. Out of 17 utilities in the Northeast, Maine's utilities are doing well - ranking 17th for today's supply prices in the case of Maine Public Service and 13th in the case of CMP. Bangor Hydro ranks 9th but that still is behind much larger utilities in Baltimore, Connecticut and Boston whose Standard Offer prices are well above BHE's 7.1¢ price [See box on page 2].

At the same time that *supply* prices have gone up, *delivery* prices for CMP and Bangor Hydro continue to decline - in the case of BHE residential customers by more than 1.0¢/kWh in March. This is because we are paying off stranded costs at a rapid rate; the costs of pre-restructuring contract obligations have been reduced by 50%, going from \$2 billion in 1998 to about \$700 million today. Secondly the rate for actually delivering electricity has dropped for both CMP and Bangor Hydro since 2000 when restructuring began in Maine, going from approximately 9¢ to approximately 7¢. These decreases have offset the supply-side increases in the Standard Offer. [See box on page 3.]

Compared with heating oil and gasoline, electricity has actually been very stable: since 1999 CMP and Bangor Hydro's total rates (supply, stranded cost and delivery) have only increased by 2.3% and 13.1% respectively; over the same six years heating oil prices have jumped 156% and gasoline has jumped fully 174%. There is reason to believe that we would have seen some substantial portion of those fossil-related increases reflected in electric rates if Maine's utilities had never been restructured. After all, the major feature of traditional rate regulation was the notorious Fuel Adjustment Clause that permitted electric utilities to pass 100% of fuel-related increases on to customers.

Here's some more good news: nearly 2000 residential customers in Maine have signed up for the 100% renewable alternative to the Standard Offer that is offered by Interfaith Light and Power/Maine Renewable Energy. These customers have benefited from the right to choose their electricity supplier. Much larger shares of industrial load (at 90% or more) and large commercial load (at 40% or more) are



Stephen G. Ward, Public Advocate

WHAT'S INSIDE

- 1-2 “Prices for Electric Supply Went Up in March ... But the Sky is Definitely Not Falling”**
- 2 Chart - How Maine's New Standard Offer Price For Residential Customers Compares to Other States**
- 3 Bangor Hydro's New Meters**
- 3 Chart - Electric Rates - Residential Customers, 2000-2004**
- 4 Surge Protection for Computers and Other Electronics**
- 5 Links - Surge Protection**
- 5 Did You Know...**
- 6 About the Public Advocate Office**

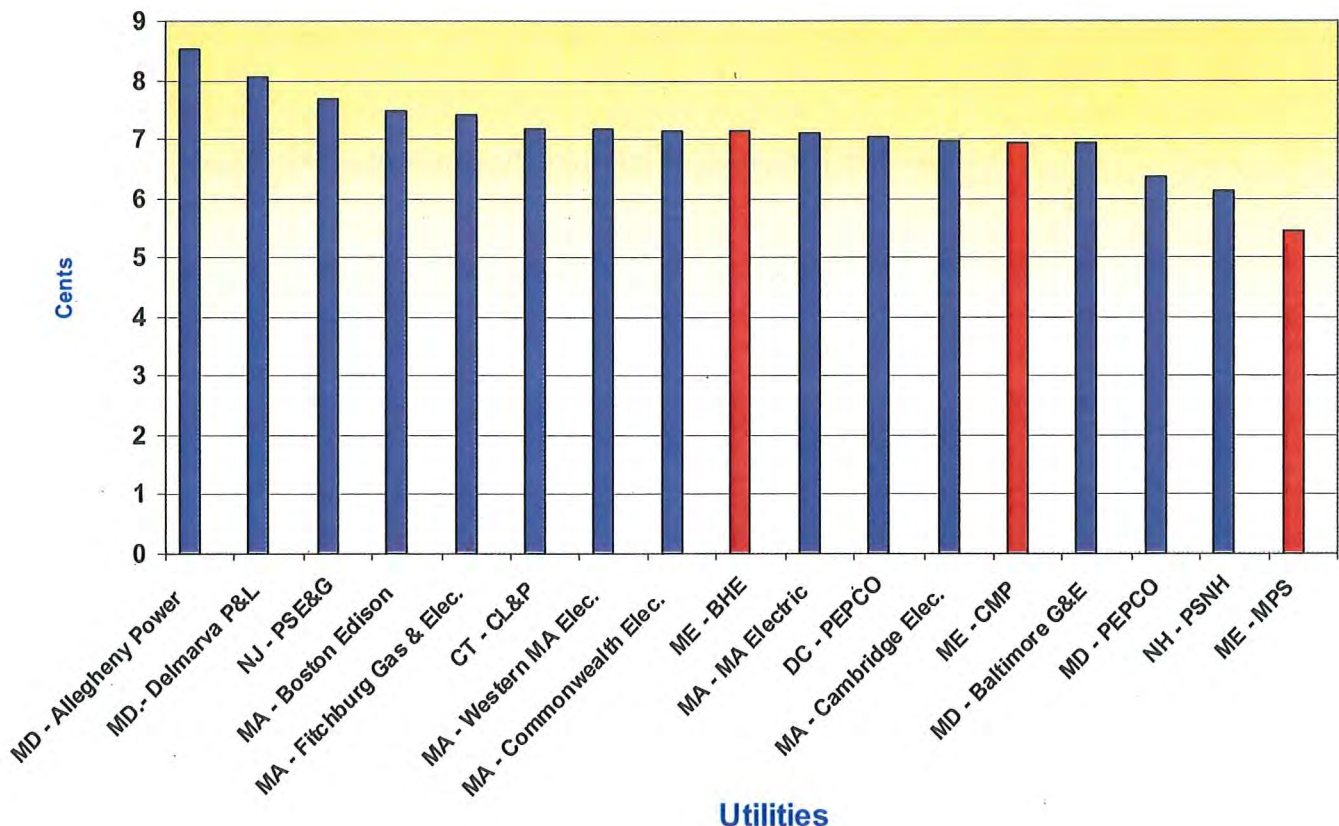
(continued from page 1) now served by competing suppliers than is the case for residential load - but these things take time. Consider the break-up of AT&T's telephone monopoly in 1984: it took fully 15 years before there was much local competition for the Baby Bells, even in major markets. It really doesn't make sense to expect that a vibrant retail market would be in place in Maine (or elsewhere in the Northeast) only five years after the start-up of restructuring in March 2000. It takes a while for markets to mature and, with a fifth birthday, Maine's market for retail electricity is still a youngster.

The last positive development to note concerns energy conservation. Prior to restructuring in 2000, energy conservation programs were managed by Maine's utilities -- with considerable reluctance in many cases since lowering sales of electricity also lowered shareholder earnings. Now the T&D utilities are entirely out of the energy conservation business, due to thoughtful action by the Maine Legislature.

Efficiency Maine (a division of the PUC) now delivers efficiency measures across the State in a series of programs targeted at small businesses, low-income residential customers and the local market for efficient lighting products and efficient appliances. Efficiency Maine is well-managed, small enough to be nimble in its marketing and a national model for state-of-the-art energy conservation measures. It seems to me quite likely that the T&D utilities would have continued to keep conservation in their backyard (and on the back burner) in the absence of Maine's comprehensive restructuring of the electric industry.

Is the glass half full or half empty? You get to decide. I continue to argue that the glass certainly is not entirely empty - there are a number of important success stories in Maine's experience with electric restructuring, so far.

HOW MAINE'S NEW STANDARD OFFER PRICE FOR RESIDENTIAL CUSTOMERS COMPARES TO OTHER STATES



Bangor Hydro's New Meters

In February, Bangor Hydro all but completed installing "smart meters" throughout its service territory, a process it began last July. When finished, each of its 113,000 residential customers, as well as its small commercial customers, will have one.

These high tech devices, known as AMR meters (for "automatic meter read"), allow the meter to be read without a visit to your home or business. It works as follows. Your old meter is removed and a new meter is inserted into the old framework. This device uses light to read the meter's spinning disk continuously. Once per day, it sends the previous day's information to the electric substation. From here, the information is relayed via specialized communications equipment to company headquarters.

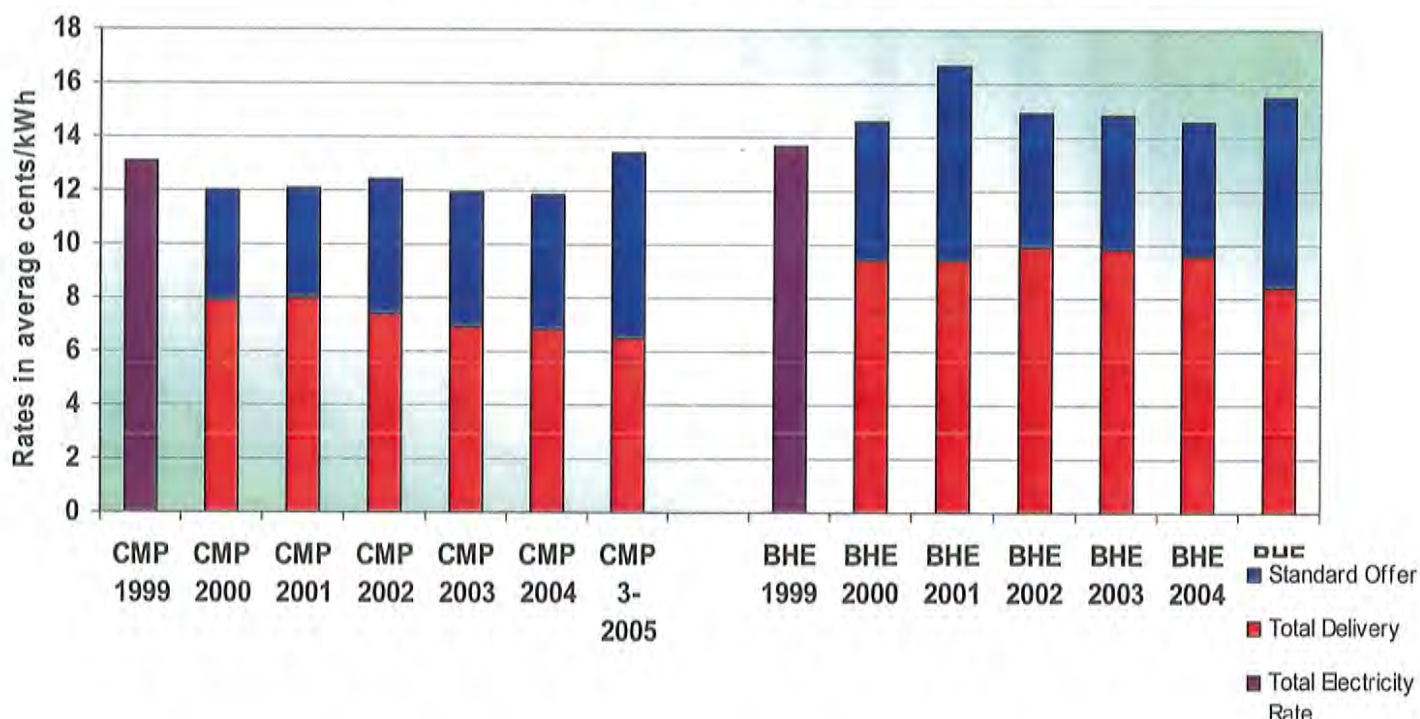
Bangor Hydro does not intend to change when or how it bills you for service. You should continue to receive your bill around the same time each month. In fact, apart from the brief loss of power when the meter is installed, this change should be invisible to you. However, the advanced features of this new system may allow you to change the date of your monthly billing cycle if you so desire.

With the installation of specialized software, these meters will eventually allow the Company to more quickly locate outages on its system. This should improve service restoration during storms. Rather than rely on the phone calls of customers and the drive-by inspections of its service personnel, outage coordinators can simply bring up the system on a computer screen and the information sent from these meters (or *not sent* in the case of an outage) will allow the program to display who has and who doesn't have power.

The Company can also use these meters to tell you what your daily usage has been. Eventually, the Company plans to create a secure website where, with the use of a password, you will be able to log on and see your daily, or perhaps hourly, usage. This can help you to better understand how you use electricity so that you can take steps to use less and save money.

According to the PUC, there have been 14 complaints from Bangor customers about the installation or the operation of these new meters, most citing higher bills since the switch. We regard this as a remarkably low number considering that virtually every customer has been switched. The Company indicated that it tested every new meter before it was installed and that it is working to resolve these complaints.

Electric Rates - Residential Customers, 2000-2004



Surge Protection for Computers and Other Electronics

If you have a computer, you probably have a surge protector, also called a surge suppressor. If not, you are at risk of needing to buy a new computer and figuring out how to replace all the data currently stored on your existing one. The reason is that computers and other sophisticated electrical equipment are vulnerable to damage and even total destruction from fluctuations in the level of electricity that flows through the wires in your home or business. The following provides some guidance about choosing the right device to protect your computer and other electronics from power surges.

Causes A power surge is nothing more than a fluctuation in voltage. These fluctuations have a variety of causes, some within your house and others associated with the electric system operated by your delivery utility (CMP, Bangor Hydro, Maine Public, etc.) A fluctuation, if severe enough, can burn out your sensitive electronics instantly. Repeated minor fluctuations can also damage equipment.

The most dangerous source of a power surge is lightning. Though some manufacturers say their products can protect against the massive power surge that results from a nearby lightning strike, we strongly urge you simply to unplug your computer and other electronics if there is the threat of a thunderstorm.

More common sources of power surges are momentary trips on the power lines such as those caused by tree limbs touching the line or when the utility interrupts power for line repairs. Also, when your refrigerator, air conditioner or other large appliance turns on or off, the sudden shift in power usage within your house causes potentially damaging fluctuations. You may be entirely accustomed to seeing the lights dim when your warm air furnace fan comes on, for example, but your computer does not like it. For these types of surges, a quality surge protector is a worthwhile investment.

What to buy? Many types of protection devices are available on the market but they fall into three basic categories. A basic power strip, costing from \$5 - \$10 is little more than a multi-socket extension cord and provides little or no surge protection. A power strip surge protector,

costing between \$20 and \$50, is probably what you want. The way to be sure that you are getting what you pay for is to examine the box. Make sure it is a "transient voltage surge suppressor" or that it meets the Underwriters Laboratories (UL) criteria for "UL 1449," the minimum standard for surge suppressors. Don't confuse this with UL ratings of other devices, including simple extension cords. A more advanced device, costing close to \$100, is a full-blown surge station. These provide superior protection and often contain built-in circuit breakers. These devices may be a worthwhile investment for small businesses or owners of advanced computer equipment.

Links. For further information you may want to visit the following websites:

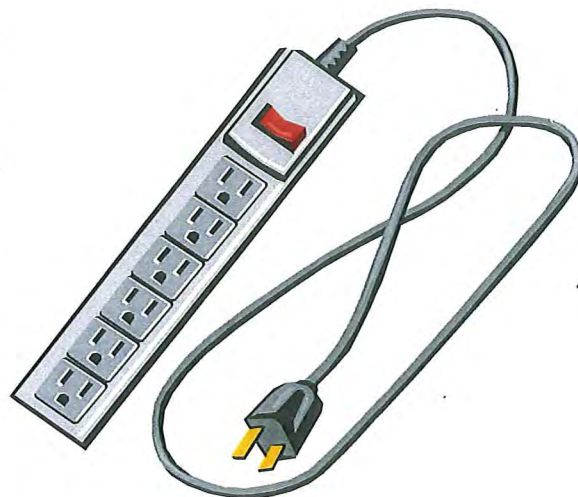
<http://www.aarp.org/learntech/computers/howto/Articles/a2003-03-13-surgeprotectors.html>

<http://computer.howstuffworks.com/surge-protector4.htm>

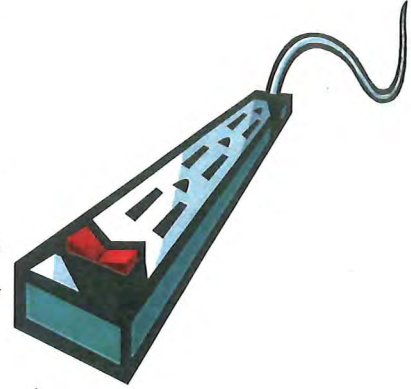
<http://kb.indiana.edu/data/aeoq.html?cust=291793.87907.30>

http://whatis.techtarget.com/definition/0,,sid9_gci213630,00.html

<http://doityourself.com/electric/surgeprotectors.htm>



(continued from page 4) Desirable specifications. To get adequate protection, you should look for the following. Clamping Voltage. Surge suppressors should operate at fairly low voltage levels. Look for a clamping voltage no higher than 400 V. Absorption/Dissipation. A suppressor is of little use if it cannot dissipate high levels of energy. Look for a device rated at 200-400 joules. 600 joules is even better. Response Time. Since no surge protector can act at the same exact moment that the surge begins, be aware of the response time of the device. Choose one with a response time of less than one nano-second. Indicator Light. Surge protectors are sometimes destroyed in the act of doing their job. Make sure you get one with an indicator light that will not glow when the protection device no longer operates.



Many surge protectors offer protection (inputs and outputs) for telephone and cable lines. Since power surges associated with lightning and other external forces can travel over these lines and damage connected devices, such protection is well worth considering.



“Uninterruptible Power Supply” (UPS) To protect your computer against the loss of data that could result from a power failure, you should consider purchasing a UPS. UPS uses a battery to insure continuous electric supply if the lights go out. The battery power provides ample time for you to save information and turn off the computer. Because the power runs through the battery even when the lights are on, it also serves as a

“line conditioner”, filtering out small voltage variations that can, over time, degrade your computer. Some UPS devices emit an intermittent beep when the lights fail. Make sure that the UPS contains its own surge protection, or be sure to install one between the wall socket and the UPS. UPS devices range in price from \$50 to over \$150.



Did You Know....

On the subject of energy efficiency, did you know that Bangor Hydro’s Standard Offer increase (approximately 2¢ per kWh) can be entirely eliminated for a typical residential customer merely by installing six compact fluorescent light bulbs in places that receive regular use? And CMP’s March increase in Standard Offer prices can effectively be cut in half for a typical residential customer, again by means of six compact fluorescent replacements. It’s an old and true story: the least expensive kilowatt-hour is the one that is never consumed.

**Maine Public Advocate Office
112 State House Station
Augusta, ME 04333**



ABOUT THE PUBLIC ADVOCATE OFFICE

Stephen G. Ward, the Public Advocate, and his staff of seven represent Maine's telephone, electric, gas, and water customers before the Maine Public Utilities Commission, the courts, and federal agencies. Our mission is to work for reasonably priced, safe, and reliable utility services for Maine people.

Website: <http://www.maine.gov/meopa> (Telephone 287-2445) **Email:** Eric.J.Bryant@maine.gov

PUBLIC ADVOCATE OFFICES AND AFFILIATES IN 43 STATES

Budget YR		STATE	TOTAL STAFF	PROFESSIONAL STAFF	OFFICE BUDGET	CONSULTING BUDGET	PA TENURES (yrs)	PA SALARY
03	1	Alabama	4	3	\$250,000		9	
04	2	Alaska	8	7	\$942,800	\$95,000	2	
03	3	Arizona	11	9	\$1,101,400	\$145,000	2	\$84,000
04	4	Arkansas	6.5	2	\$674,650	\$100,000	2	
02	5	California	164	159	\$13,200,000	\$3,800,000	4	\$101,230
99	6	California TURN	12	8	\$1,975,222	\$450,000	1	
03	7	California UCAN	10	3	\$780,000	\$150,000	21	\$72,000
04	8	Colorado	11	8	\$1,312,017	\$126,935	9	\$99,804
04	9	Connecticut	15	12	\$2,600,501		4	\$98,965
04	10	Delaware	3	2	\$579,100	\$270,800	4	\$72,800
04	11	Dist of Columbia	29	20	\$4,300,000		14	
03	12	Florida OPC	19	15	\$2,600,000	\$400,000	2	
01	13	Georgia	8	7	\$609,000	\$91,350	5	
03	14	Hawaii	22	18	\$2,300,000	\$784,323		
03	15	Illinois CUB	15	12	\$2,200,000	\$75,000	12	
03	16	Indiana	55	41	\$3,999,001	\$775,000	10	\$89,213
04	17	Iowa	24	21	\$2,750,386	\$125,000	4	\$105,781
03	18	Kansas	5	3	\$613,620	\$250,000	3	\$74,000
03	19	Kentucky	4	4	\$513,200	\$180,000	10	
05	20	Maine	7	5	\$2,067,117	\$250,000	18	\$91,890
03	21	Maryland	18	9	\$2,600,000	\$900,000	1	
03	22	Massachusetts	11	8	\$1,415,900		4	\$85,000
03	23	Michigan	6.5	5	\$619,842	\$145,600	10	\$114,336
03	24	Minnesota	10	8			3	
02	25	Mississippi	2	1				
03	26	Missouri	15	13	\$930,135	\$114,522	3	\$68,000
04	27	Nevada	14	10	\$1,971,532	\$633,578	1	
02	28	New Hampshire	5	4	\$465,026	\$85,000	3	
03	29	New Jersey	42	31	\$6,633,000	\$1,200,000	3	\$117,930
02	30	New Mexico	6	4			4	
03	31	New York CPB	6	5	\$2,947,300		2	
02	32	New York PULP	5	4	\$590,000		5	\$96,915
03	33	North Carolina	4.5	3.5	\$254,100		4	
03	34	Ohio OCC	73	51	\$8,560,182	\$195,000	2	
03	35	Oklahoma	4.5	3.5	\$285,080		6	\$65,000
03	36	Oregon CUB	4.5	3	\$188,000		13	\$40,000
04	37	Pennsylvania	37	17	\$4,555,000	\$950,000	15	\$112,196
02	38	South Carolina	5	4	\$267,655	\$102,000	10	\$90,473
03	39	Tennessee	13	11	\$1,312,900		3	
03	40	Texas	20	13	\$1,668,185	\$673,150	6	\$83,000
03	41	Utah	7	5	\$1,313,000	\$500,000	1	
03	42	Vermont	8	7	\$706,662	\$100,000	16	
03	43	Virginia	5	4			3	
04	44	Washington	5	4	\$586,000	\$103,000	6	
02	45	West Virginia	8	6	\$871,578	\$210,000	24	\$80,000
05	46	Wyoming	6	6	\$735,000	\$150,000	2	\$75,000
		Total	773.5	599.0	\$84,844,091	14,130,258	286	\$1,917,533
		Averages	16.8	13.0	\$2,020,097	\$441,571	6.5	\$87,161
				PA 43 Offices Staff-Budget 10-7-05				

Statistical Summary of NASUCA Data

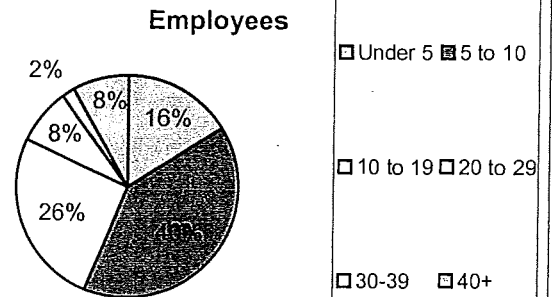
Exhibit 8

Percentage No. of Members Category

Page 1 of 1

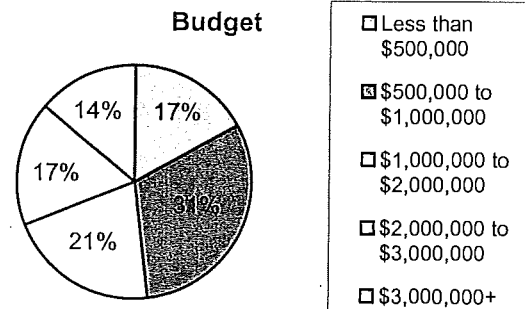
Employees

Percentage	No. of Members	Category
16%	8	Under 5
40%	20	5 to 10
26%	13	10 to 19
8%	4	20 to 29
2%	1	30-39
8%	4	40+



Budget

Percentage	No. of Members	Category
17%	7	Less than \$500,000
31%	13	\$500,000 to \$1,000,000
21%	9	\$1,000,000 to \$2,000,000
17%	7	\$2,000,000 to \$3,000,000
14%	6	\$3,000,000+

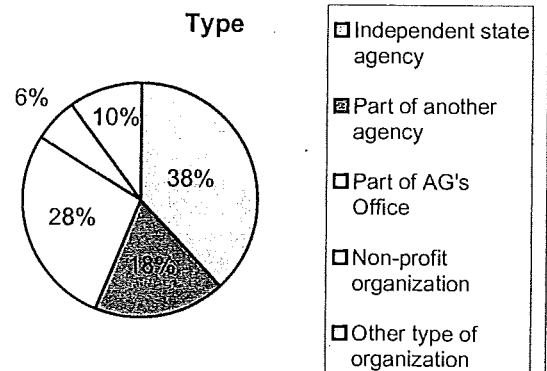


Average budget: \$1,926,986.76

Median budget: \$1,133,271.00

Type of Organization

Percentage	No. of Members	Category
38%	19	Independent state agency
18%	9	Part of another agency
28%	14	Part of AG's Office
6%	3	Non-profit organization
10%	5	Other type of organization



Type of member

Percentage	No. of Members	Category
86%	43	Full members
4%	2	Associate members
10%	5	Affiliate members

Head of office average salary: \$87,512.25

Head of office median salary: \$89,213.00