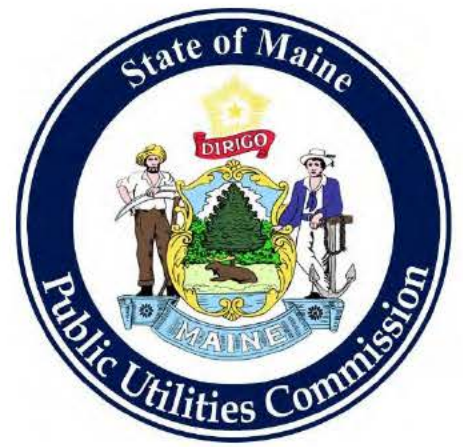


MAINE STATE LEGISLATURE

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Report Regarding Regional Natural Gas Monitoring and FERC Proceedings, Public Law, ch. 222

Submitted to the Joint Standing Committee on
Energy, Utilities and Technology

December 31, 2024

Maine Public Utilities Commission
18 State House Station,
Augusta, ME 04333

I. Introduction

During the First Special Session of the 131st Legislature, the Maine Legislature enacted “An Act To Reduce the Cost of Energy in Maine and Reduce Greenhouse Gas Emissions Through the Effective Use of Renewably Sourced Gas, [P.L. 2023, ch. 222](#) (the Act). One provision of The Act was the enactment of [35-A M.R.S. § 1909-A](#), which provides for “Regional natural gas monitoring; commission intervention” as follows:

1. **Federal Energy Regulatory Commission proceedings.** The commission shall:
 - A. Monitor proceedings at the Federal Energy Regulatory Commission related to interstate natural gas transportation capacity in New England and the Northeast; and
 - B. If the commission believes that intervention and participation in a proceeding described in paragraph A will best represent the interests of the State's electric and gas ratepayers, intervene and participate in the proceeding and seek to achieve a result that will ensure the lowest possible natural gas and electricity prices for consumers in the State.
2. **Report.** By December 31st of any year in which the commission has intervened and participated in a proceeding pursuant to subsection 1, paragraph B, the commission shall submit a report to the joint standing committee of the Legislature having jurisdiction over energy and utility matters summarizing its participation.

This report is provided to the Joint Standing Committee on Energy, Utilities and Technology in accordance with the Act.

II. FERC Proceedings

The Public Utilities Commission (Commission) intervened and participated in two proceedings before the Federal Energy Regulatory Commission (FERC) relating to interstate pipeline rates. On May 30, 2024, Enbridge, which is a subsidiary of Spectra, filed requests for rate increases for two of its pipelines: Algonquin Gas Transmission (FERC Docket No. RP24-781) and Maritimes & Northeast Pipeline (FERC Docket No. RP24-780). These cases were filed pursuant to section 4 of the Natural Gas Act, 15 U.S.C. §§ 717-717w. In both cases, Enbridge proposed increasing transmission rates by approximately 34%.

Both pipelines operate to bring natural gas to Maine from the Marcellus shale region and other sources, and Maritimes plays a crucial role in the transportation and delivery of natural gas within Maine to Maine’s four LDCs (Unitil Corporation, dba Northern Utilities, Inc., Bangor Natural Gas, Summit Natural Gas, and Maine Natural Gas). Bangor Gas is solely dependent on Maritimes for pipeline supply delivery to its city gates.¹

¹ There are reports that Bangor is currently connecting to two renewable natural gas (RNG) sources that may supply some portion of its gas going forward. Section 4 of the Act (now codified at 35-A M.R.S. § 4701-A(2) and (3) provides that a natural gas utility may be authorized to utilize RNG, subject to Commission approval. To date, Bangor has not sought Commission approval for these two interconnections.

The Office of the Public Advocate (OPA), and Maine's four LDCs have also intervened in these cases. The Commission, the OPA and the LDCs have been attending settlement conferences to protect the interests of Maine's natural gas consumers. Settlement discussions have resulted in unanimous agreements in principle in both cases in which rates will be much lower than the pipelines' initial proposals and some rates will decrease from current rates. The final settlement agreements will be considered by the FERC in early 2025 and, once approved, the stipulated rates will be placed into effect for service provided from December 1, 2024, on. In addition, both pipelines have agreed to provide annual greenhouse gas (GHG) emissions reports and have agreed not to file new rate cases before May 31, 2028.

III. Commission Proceedings Involving Regional Natural Gas

In addition, the Commission approved two other matters involving interstate pipelines that serve Maine LDCs and its ratepayers, as follows:

1. A reorganization of TransCanada's subsidiary Portland Natural Gas Transmission System, Docket No. 2024-00072, in which it was acquired by BlackRock and Morgan Stanley, and agreed to maintain or improve current safety and GHG emissions standards and practices, and to report to the Commission on emissions levels for two years.
2. A negotiated resolution of Granite State Gas Transmission's rate case among the Commission, the OPA, the New Hampshire Department of Energy Resources, and the New Hampshire Office of the Consumer Advocate. Granite State is a smaller interstate transmission pipeline extending from Haverill, Massachusetts to Westbrook, Maine that is owned and operated by Unitil, and solely serving Northern Utilities' Divisions in Maine and New Hampshire. Continuing a structure established over several years, the settlement includes annual capital tracker rate adjustments for required safety and other modifications required by federal, state, and local governmental authorities. In addition, Granite has agreed to annual greenhouse gas emissions reporting to the Commission and OPA and to maintain or improve current GHG emissions standards and practices.

The Commission also notes a case in its docket that relates to RNG produced and used by a Maine LDC. In that case, Docket No. 2020-00089, the Commission reviewed and approved an amendment to an affiliate agreement for Summit Natural Gas of Maine and Peaks Renewable for an increase in its anaerobic digester gas production in Clinton, Maine that would be purchased by Summit, resulting in increased methane capture from Maine's dairy industry waste, reducing release to the atmosphere.

IV. Conclusion

This concludes the Commission report pursuant to the Act. Additional information regarding the above-referenced proceeding are available on request.