

MAINE PUBLIC UTILITIES COMMISSION



EUT Committee Orientation

January 17, 2023

Purpose of the Maine Public Utilities Commission under Title 35-A



Ensure safe, adequate, and reliable utility service at rates reasonable to customers and utilities while also helping achieve reductions in state greenhouse gas emissions.

Operation of the Commission

The Commission is a quasi-judicial independent agency that:

- Adjudicates utility cases;
- Conducts inquiries and investigations;
- Engages in rulemaking;
- Enforces laws and rules; and
- Issues RFP's to implement State policies, including the provision of standard offer service.

In order to provide a transparent and accessible process all hearings, technical conferences and deliberations are streamed live on the Commission's website. The public may also attend in person. All major cases are easily accessible from the Commission's Homepage.

Commission Funding Sources

The Commission is funded through an assessment on all utilities not the State General Fund.

The E-9-1-1 systems is funded by a monthly surcharge levied on:

- Each residential and business telephone exchange line;
- Semipublic coin and public access lines;
- Customers of interconnected voice over Internet protocol service; and
- Customers of cellular or wireless telecommunications service.

The Commission Regulates:

- Electric transmission and distribution utilities;
- Natural gas utilities;
- Water utilities;
- Telephone (Provider of last resort service);
- 911-Emergency Services; and
- Casco Bay Ferry & Water Transportation

The Commission Does Not Regulate:

- Cable;
- Wireless phones;
- Broadband;
- Sewer districts; and
- Drinking water quality

Commissioners

Philip L. Bartlett II, Chairman
Randall D. Davis
Patrick Scully

Legal

Elizabeth Wyman

Administration

Harry Lanphear

Telephone and
Water

David Braley

Emergency
Services
Communication
Bureau

Maria Jacques

Consumer
Assistance and
Safety Division

Derek Davidson

Electric and Gas

Sally Zeh

Legal Division

Division Director: Elizabeth Wyman, General Counsel

Staff in the Legal Division:

- Act as hearing examiners on all utility cases;
- Assist and participate in court appeals;
- Advise the Commissioners on legal matters; and
- Provide legal analysis of legislative proposals.

Administration Division

Division Director: Harry Lanphear

The Administration Division includes:

- Utility case management;
- Human Resources;
- Oversight on finances and budgets;
- Contracts/purchasing;
- Information Technology; and
- Press and legislative inquiries.

Telephone and Water Division

Division Director: David Braley

The Telephone and Water Division:

- Conducts financial investigations;
- Analyzes utility operations & financing;
- Advises on matters of rates, revenues, expenses, securities, depreciation, cost of infrastructure, and cost of service;
- Ensures efficient use of number resources within 207 area code;
- Reviews Competitive Local Exchange Carrier (CLEC) applications for operating authority or service abandonment;
- Meets Federal wholesale obligations - competitors' access to Incumbent Local Exchange Carrier (ILEC) networks to provide service; and
- Administers funding for several State programs received from landline phone bills:
 - MTEAF, MSLN, MUSF

Emergency Services Communication Bureau

Bureau Director: Maria Jacques

The Emergency Services Communication Bureau:

- Implements & manages Statewide 911 system (Consolidated Communications provides the 911 “backbone”);
- Provides dispatcher and PSAP call-taker training; and
- Provides Public Service Announcements on use of 911 and texting to 911 in limited situations.

Consumer Assistance and Safety Division

Division Director: Derek Davidson

The Consumer Assistance and Safety Division:

- Provides information & assistance to utility customers;
- Handles complaints to help customers resolve disputes;
 - *Service, billing, payment, rates, and other utility matters*
- Issues decisions that may be reviewed by the Commission;
- Administers Low-Income Assistance Program (LIAP) & Arrearage Management Program (AMP);
- Conducts inspections and compliance audits of liquid propane and natural gas facilities;
- Determines if operators complied with design, construction, operating, and maintenance requirements; and
- Enforces compliance with the DigSafe rules.

Assistance Programs

- **The Low-Income Assistance Program (LIAP)** helps qualified low-income electricity consumers pay for electricity costs. Eligibility for LIAP is based on eligibility for LIHEAP and/or participation in a DHHS means tested programs with a household income at or less than 75% of the Federal Poverty Guidelines. Those qualified will receive a credit on their electricity bill based on income and electricity usage. We increased funding for LIAP from \$7.8 million to \$15 million this year.
- **The Arrearage Management Program (AMP)** provides financial assistance and on-time bill payment incentives to eligible residential electricity consumers by establishing an affordable payment plan and providing a credit each month towards that customer's accumulated arrears, as long as that customer remains in compliance with the terms of the AMP.
- **The Low-Income Home Energy Assistance Program (LIHEAP)**, administered by the Maine State Housing Authority and local Community Action Agencies helps low-income renters and homeowners pay for heating costs, including electric heat as well as oil, propane, natural gas, and other sources. LIHEAP is not intended to pay your heating costs in full but can help to reduce them.

Electric and Gas Division

Division Director: Sally Zeh

The Electric and Gas Division:

- Conducts financial investigations;
- Analyzes utility operations & financing;
- Advises on matters of rates, revenues, expenses, securities;
- Assists in the procurement of Standard Offer Service;
- Directs long-term contracting as required by law;
- Analyzes net energy billing impacts; and
- Conducts oversight of the Efficiency Maine Trust in accordance with the law.

New England Investor-Owned Utilities, Fixed Residential Supply Rates

State	Utility	Rate (c/kWh)	Start	End
CT	Connecticut Light & Power Co dba Eversource Energy	24.172	Jan-2023	Jun-2023
CT	The United Illuminating Company	21.940	Jan-2023	Jun-2023
MA	Fitchburg Gas & Elec Light Co (FG&E)/ Unitil	17.859	Dec-2022	May-2023
MA	Massachusetts Electric/ National Grid	33.891	Nov-2022	Apr-2023
MA	NSTAR Electric Company dba Eversource Energy	25.649	Jan-2023	Jun-2023
MA	WMECo dba Eversource Energy	21.864	Jan-2023	Jun-2023
ME	Central Maine Power	17.631	Jan-2023	Dec-2023
ME	Versant - BHD	16.438	Jan-2023	Dec-2023
ME	Versant - MPD	14.879	Jan-2023	Dec-2023
NH	Liberty Utilities (Granite State Electric)	21.069	Feb-2023	Jul-2023
NH	Public Service Co of NH dba Eversource Energy	19.633	Feb-2023	Jul-2023
NH	Unitil Energy Systems	25.925	Dec-2022	Jul-2023
RI	Narragansett Electric/ National Grid	17.785	Oct-2022	Mar-2023
VT	Green Mountain Power	18.035	Oct-2022	Sep-2023

Rate-Setting Components

Operating Expenses

- Include staffing, vegetation management, storm response and other direct costs paid by ratepayers
- There is no built-in profit or return for a utility for operating expenses

Return on Rate Base

- The Commission sets the utility's Return On Equity (ROE)
- The return is not a guaranteed profit (see example on the next slide)

Commission discretion in rate-setting

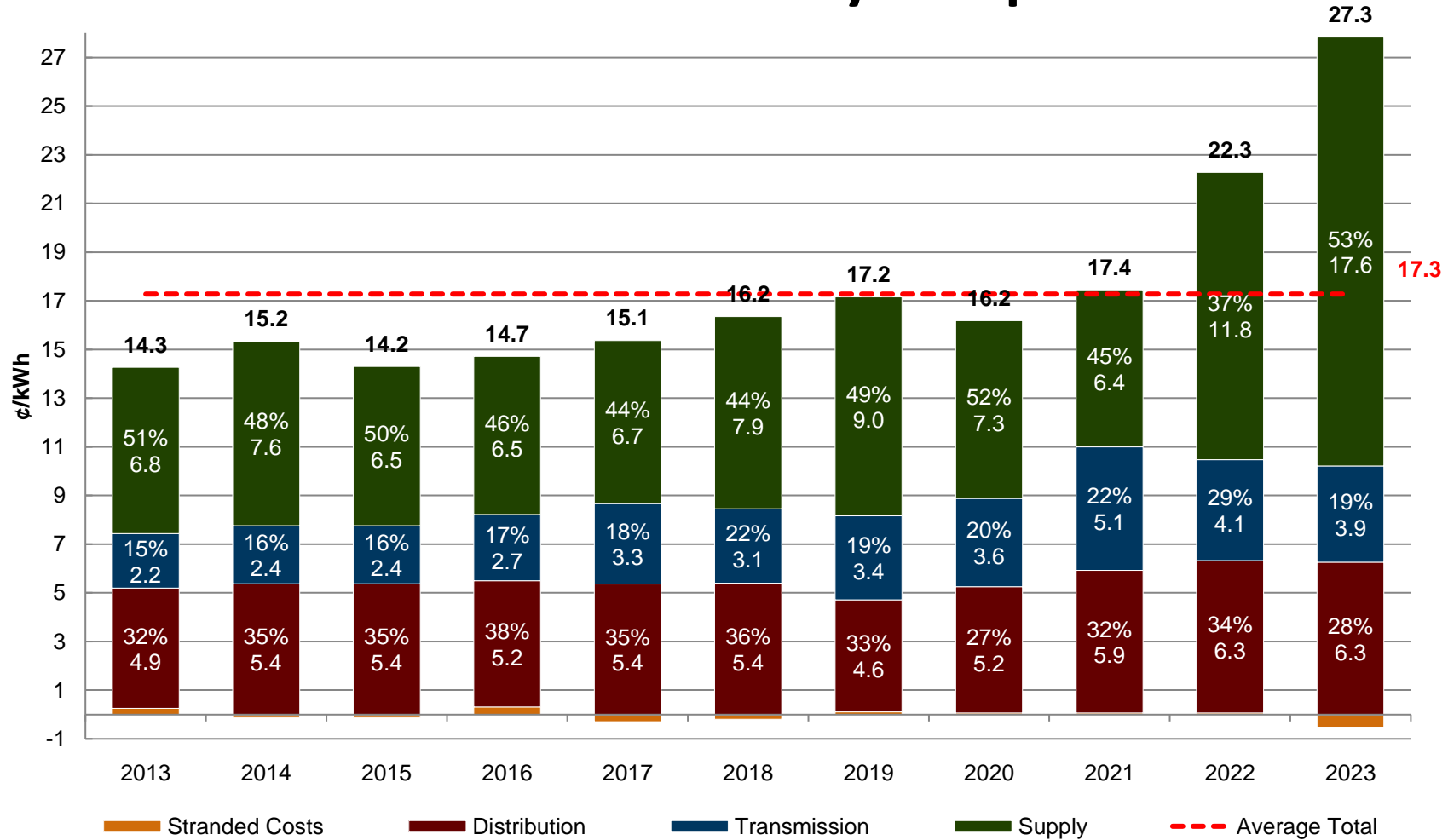
- The Commission's discretion is not unlimited
- Utilities are entitled to rates that are "just and reasonable"
- The U.S. Supreme Court has held that failure to give a utility an adequate return violates the Constitution as a taking without just compensation
- We evaluate every component of a utility rate request with great scrutiny

**Versant Power's Return on Equity
Since 2016
(from rate case filing)**

Figure 12: Earned vs. Authorized ROE²³

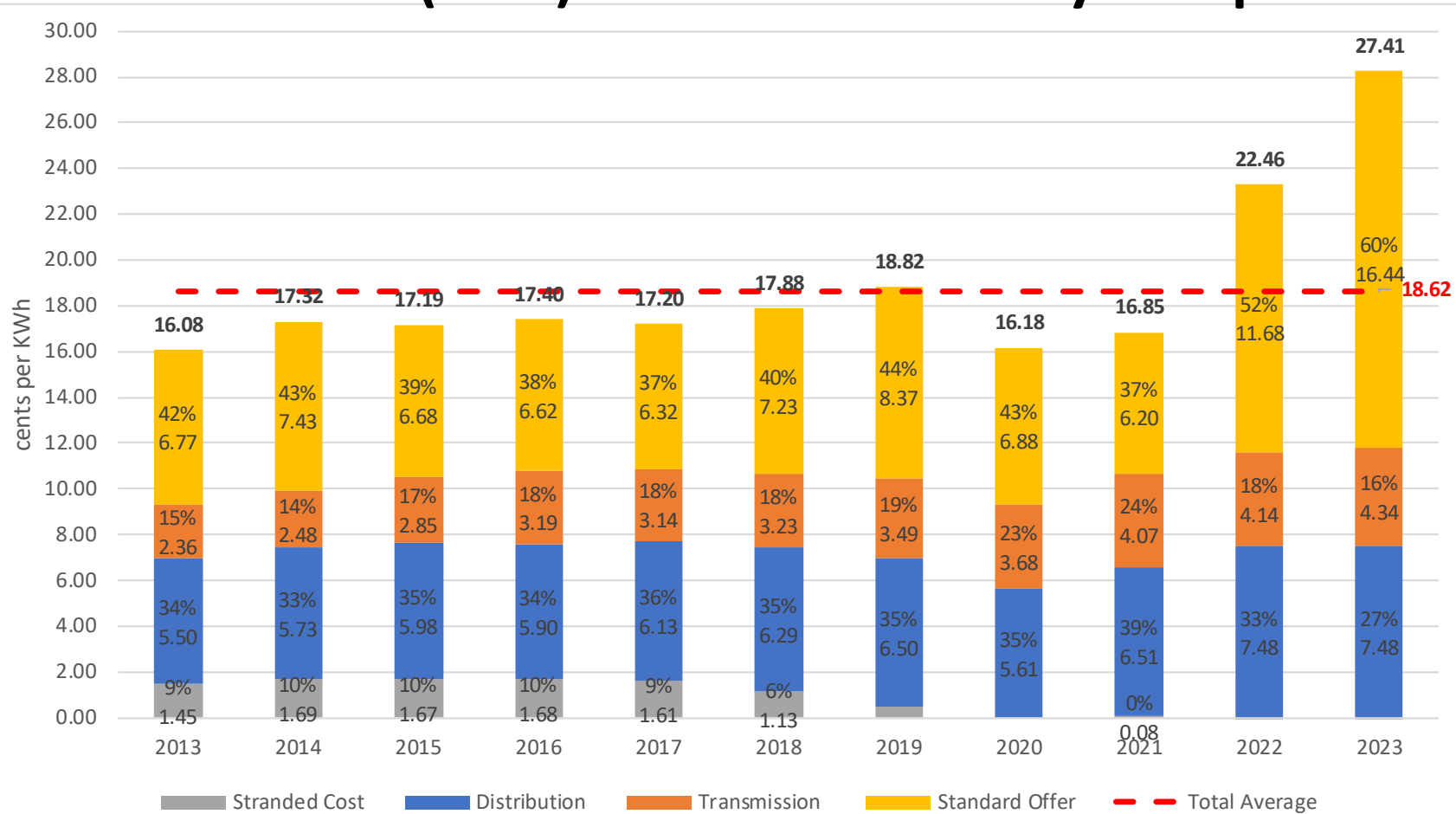
	Earned ROE	Authorized ROE	Earnings differential (bps)
2021	4.84%	9.35%	(451)
2020	3.32%	9.35%	(603)
2019	8.22%	9.35%	(113)
2018	6.06%	9.18%	(312)
2017	7.15%	9.00%	(185)
2016	6.33%	9.55%	(322)
Average	5.99%	9.30%	(331)

CMP Historical Prices By Component



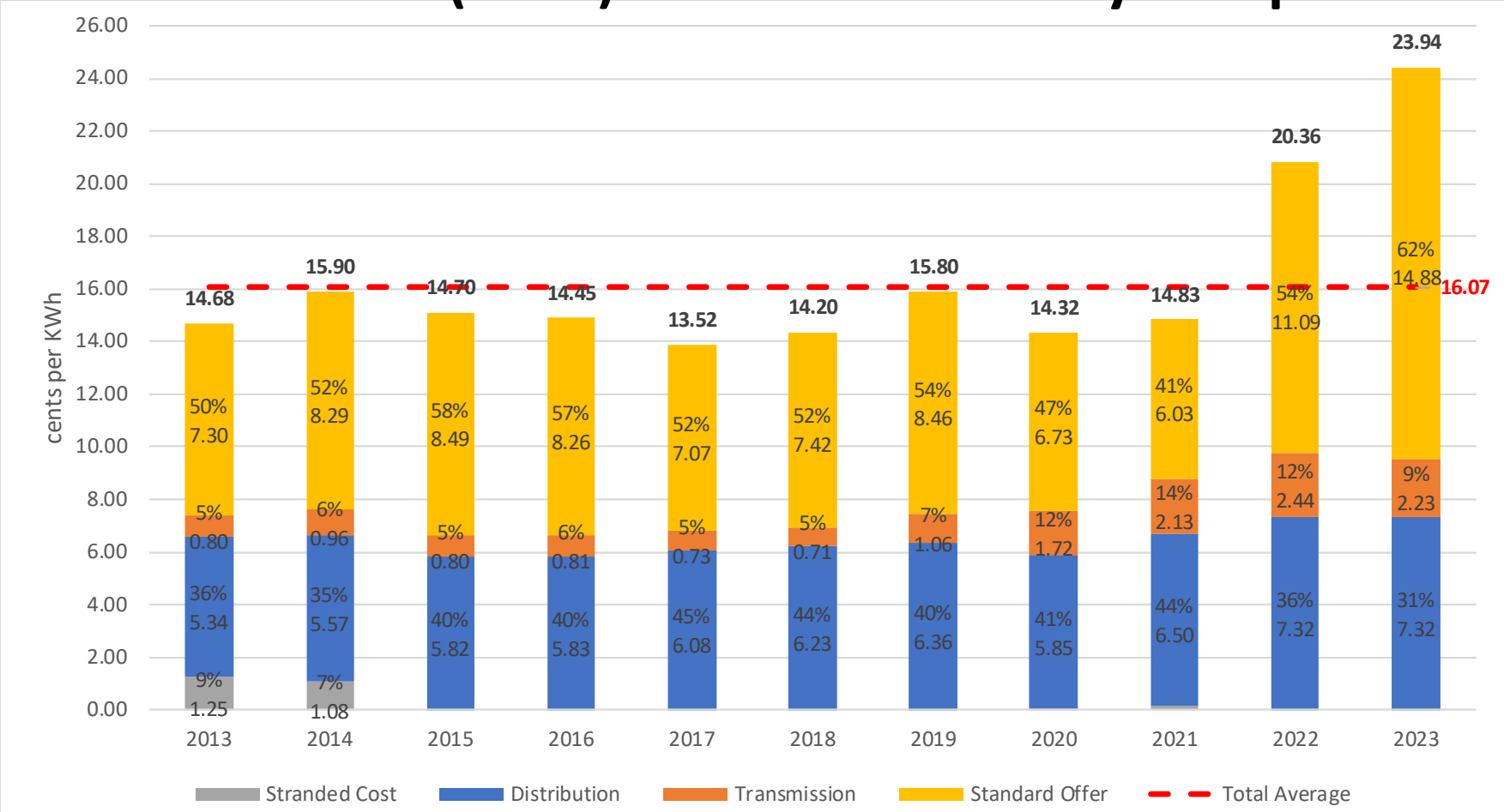
Note: 2023 rates reflect distribution rates in effect on December 31, 2022, and transmission and supply rates as of January 1, 2023.
Does not include Efficiency Maine Trust or Low Income Assistance program charges

Versant Power (BHD) Historical Prices By Component



Note: Reflects average per KWh rate during each calendar year. 2023 rates reflect distribution rates in effect as of December 31, 2022 and transmission and supply rates as of January 1, 2023. DSM component not included.

Versant Power (MPD) Historical Prices By Component



Note: Reflects average per kWh rate during each calendar year. 2023 rates reflect distribution rates in effect as of December 31, 2022 and transmission and supply rates as of January 1, 2023. DSM component not included.



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We look forward to serving as a resource during your legislative sessions in 2023 and 2024.