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Heather Sanborn
PUBLIC ADVOCATE

DATE: September 16, 2025
TO: Members of the Energy, Utilities, and Technology Committee
FROM: Heather Sanborn, Public Advocate
RE: **October 1, 2025 Rates—Adjusted for LD 1792 and LD 1777**

On September 11, 2025, the Maine PUC approved changes to electric rates for customers of CMP and Versant based on the implementation of LD 1792 *An Act to Ensure Fair and Equitable Recovery of Post-restructuring Stranded Costs* and LD 1777 *An Act to Reduce Costs and Increase Customer Protections for the State's Net Energy Billing Programs*. This memorandum summarizes the impact on the bills of average residential ratepayers of each utility.

Impact on Average Residential Bills¹

Utility	Current Total Bill	October 1 Total Bill	Change
CMP	\$154.67	\$153.87	-\$0.80
Versant–BHD	\$168.74	\$168.75	+\$0.01
Versant–MPD	\$161.66	\$158.79	-\$2.87

The new rates are comprised of numerous changes mandated by the Legislature in LD 1792 and LD 1777, including:

- 1) Statewide aggregation of revenue requirements for net energy billing (NEB) and post-restructuring energy purchase contracts (PPAs).
- 2) Increasing the allocation to residential, small and medium class customers of statewide NEB and PPA costs by 10% with corresponding reduction to the allocation to large class customers.
- 3) Reforecasting NEB costs for January and February of 2026, which were already in existing rates, to account for changes in tariff rate project compensation and revenue from the kWh credit program project charge from LD 1777.
- 4) Forecasting all NEB and PPA costs for the remainder of 2026, taking into consideration the LD 1777 tariff rate and project charge revenue. Under prior practice, this forecast would have been completed in spring 2026 and would have

¹ CMP uses 550 kWh for average customer usage and Versant uses 500 kWh. At the OPA, we use 550 kWh in our average bill analysis so that clearer apples-to-apples comparisons can be made between the utilities.

resulted in a significant rate increase (in the absence of LD 1777's changes) on July 1, 2026. We don't anticipate a rate adjustment related to NEB costs in January or July of 2026.² The next rate adjustment for NEB and PPA costs is anticipated on January 1, 2027. The OPA anticipates that the increase related to NEB costs at that time will be less than 3%.³

Digging Into Fixed Charges on Residential Bills

During the last legislative session, there was substantial confusion regarding the components of the fixed customer charges on residential customer bills. This confusion is understandable, particularly because CMP and Versant approach these charges differently.

Part of the Legislature's goal, as the OPA understands it, in adopting LD 1792 was to establish a uniform amount of public policy arising costs from NEB and PPAs that residential customers across the state would pay each month. As of October 1, 2025, that goal will be accomplished. **The statewide rate for public policy costs arising from NEB and PPAs for residential customers is \$9.92.**

However, there are several components of "stranded" or "public policy" costs that are not included in this statewide rate for NEB and PPAs and are specific to each utility. Each utility also still has some pre-restructuring stranded costs (for example, costs related to Maine Yankee), and those amounts vary by utility. This is a small component of the total "stranded" or "public policy" charge calculation for each utility, but it means that stranded costs are not exactly the same between each utility.

Additionally, CMP and Versant have different components of the fixed customer charge that appears on customer bills. "Stranded costs" represent only a portion of the fixed customer charge for each utility. As a result, the \$9.92 rate will not actually appear on any customer bill.

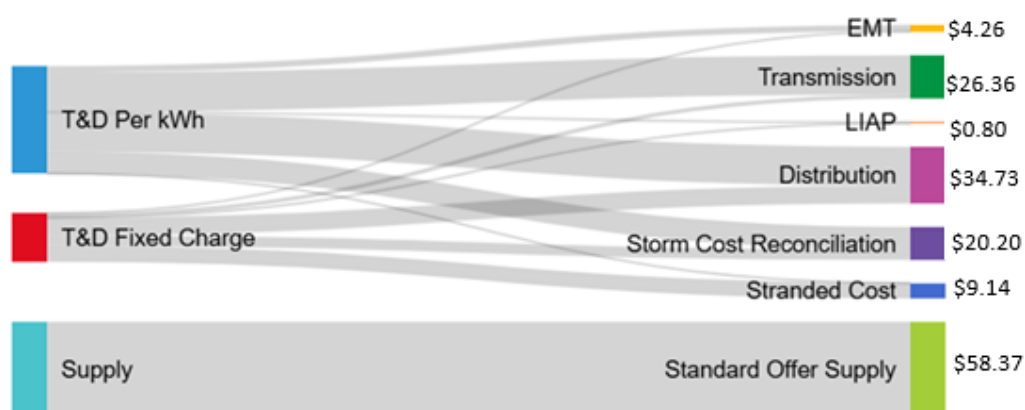
² An adjustment is possible if utilities' forecasts end up being very wrong, but we think that is unlikely.

³ Cost increases from existing front-of-the-meter projects are mostly limited to 2.25% per LD 1777, but new front-of-the-meter projects will continue to come online through the end of this calendar year, and behind-the-meter projects will continue to add a very small amount to annual stranded costs going forward. The amount of PPA costs for 2027 could drive our 3% estimate up or down. PPA costs will depend on the wholesale market cost of electricity, and how that price compares to PPA prices. The net cost of the tariff rate NEB program is also dependent on wholesale market prices. Wholesale market prices are largely dependent on natural gas prices, which continue to drive the electricity market clearing price in New England.

CMP T&D Fixed Charge Components–October 1, 2025

Distribution Charge (including Storm Costs) ⁴	\$17.44
Low-Income Program Assessment ⁵	\$0.07
Efficiency Maine Trust Assessment ⁶	\$0.38
Stranded Cost Rates (including NEB & PPA) ⁷	\$9.64
Transmission Rates ⁸	\$2.35
Total CMP T&D Fixed Charge	\$29.88

CMP Residential Monthly Bill Components



⁴ This fixed distribution charge covers the first 50 kWh of usage for all volumetric charges. Approximately \$6.45 of the distribution charges in CMP's fixed charge are related to storm cost reconciliation. Approximately \$13.66 in storm costs are also recovered through the volumetric charge on the average residential bill. Versant's fixed distribution charge for the first 100 kWh is calculated at the same rate as for subsequent usage.

⁵ The total cost of the Low-Income Assistance Program at CMP is split between the fixed charge and the volumetric charge. The total cost for the average CMP customer is \$0.80 a month, but this is mostly recovered in volumetric charges. Versant recovers these costs entirely in their fixed customer charge.

⁶ The total cost of the EMT Assessment at CMP is split between the fixed charge and the volumetric charge. The total monthly cost for the average CMP customer is \$4.26. Versant recovers this charge entirely volumetrically.

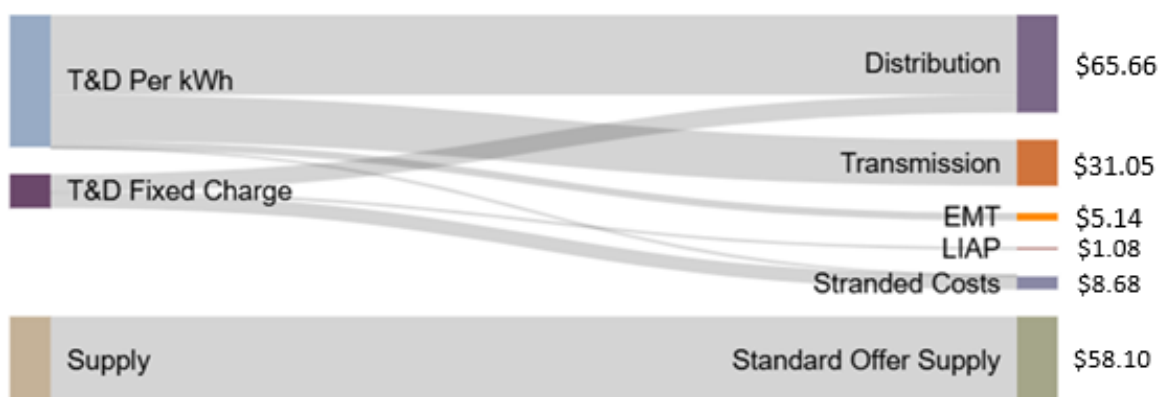
⁷ A very small portion of pre-restructuring stranded cost rate are recovered (or credited) volumetrically at CMP and Versant. These amounts are a credit this year at both utilities, resulting in a small decrease in customers' per kWh charge.

⁸ Most transmission costs are recovered volumetrically at CMP, totaling \$26.36 on the average monthly bill. Versant charges all transmission costs volumetrically.

Versant T&D Fixed Charge Components–October 1, 2025

	Bangor Hydro District	Maine Public District
Distribution Charge ⁹	\$11.94	\$11.70
Public Policy Charge ¹⁰	\$10.87	\$11.44
Total Versant T&D Fixed Charge	\$22.81	\$23.14

BHD Average Monthly Bill Components



⁹ This charge covers the first 100 kWh of distribution service. It does not cover the first 100 kWh of transmission, EMT, or volumetric stranded costs (credits).

¹⁰ At Versant, the Public Policy charge includes the low-income assistance program, NEB, PPAs, and pre-restructuring stranded costs. It does not include the Efficiency Maine Trust Assessment.