

INTRODUCTION  
TO THE

# MAINE PUBLIC UTILITIES COMMISSION

---

*Briefing for the  
Energy, Utilities and  
Technology Committee*

**Philip L. Bartlett II,  
Chairman**

January 26, 2021



# PRESENTATION ROADMAP

**Working with EUT**

**Mission**

**Jurisdiction**

**Operation**

**Organization**

**- Electric & Natural Gas Division**

**- Telephone & Water Division**

**- Emergency Services Communication Bureau**

**- Administrative & Legal**

**- Consumer Assistance & Safety Division**

**Commission Resources**

**Outreach**

# WORKING WITH EUT

The PUC is a quasi-judicial independent agency that provides policymakers with information on the regulation of utility industries by:

- Testifying
- Participating in work sessions
- Implementing laws
- Conducting analyses & reports
- Rulemakings
- Assisting constituents

# MISSION

The PUC's core function is to ensure:

**Safe, adequate,  
and reliable  
utility service**

**at rates  
reasonable to  
customers and  
utilities**

**PUC**

**JURISDICTION**



# JURISDICTION

## The PUC Regulates:

**Electric Transmission & Distribution Utilities**

**Natural Gas Utilities**

**Water Utilities**

**Telephone**

(Provider of Last Resort)

**911 - Emergency Services**

**Casco Bay Ferry & Water Transportation**

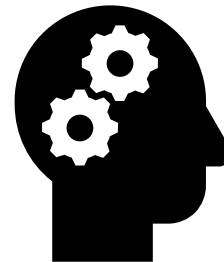
# JURISDICTION

## The PUC does not regulate:

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

**PUC**

**OPERATION**





# OPERATION

## Regulatory Activities:

- Adjudicating utility cases
- Inquiries & investigations
- Rulemakings
- Enforcing laws and rules

# OPERATION

## TRANSPARENCY

Streamed live on the  
PUC Website

- ✓ Hearings
- ✓ Technical Conferences
- ✓ Rulemakings
- ✓ Deliberations
- ✓ Public may attend in person

# NON- ADJUDICATORY PROCEEDINGS

## OPERATION

- Rulemakings
- Inquiries
- RFPs to implement State policies
- Standard Offer process

# OPERATION

## 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

# OPERATION

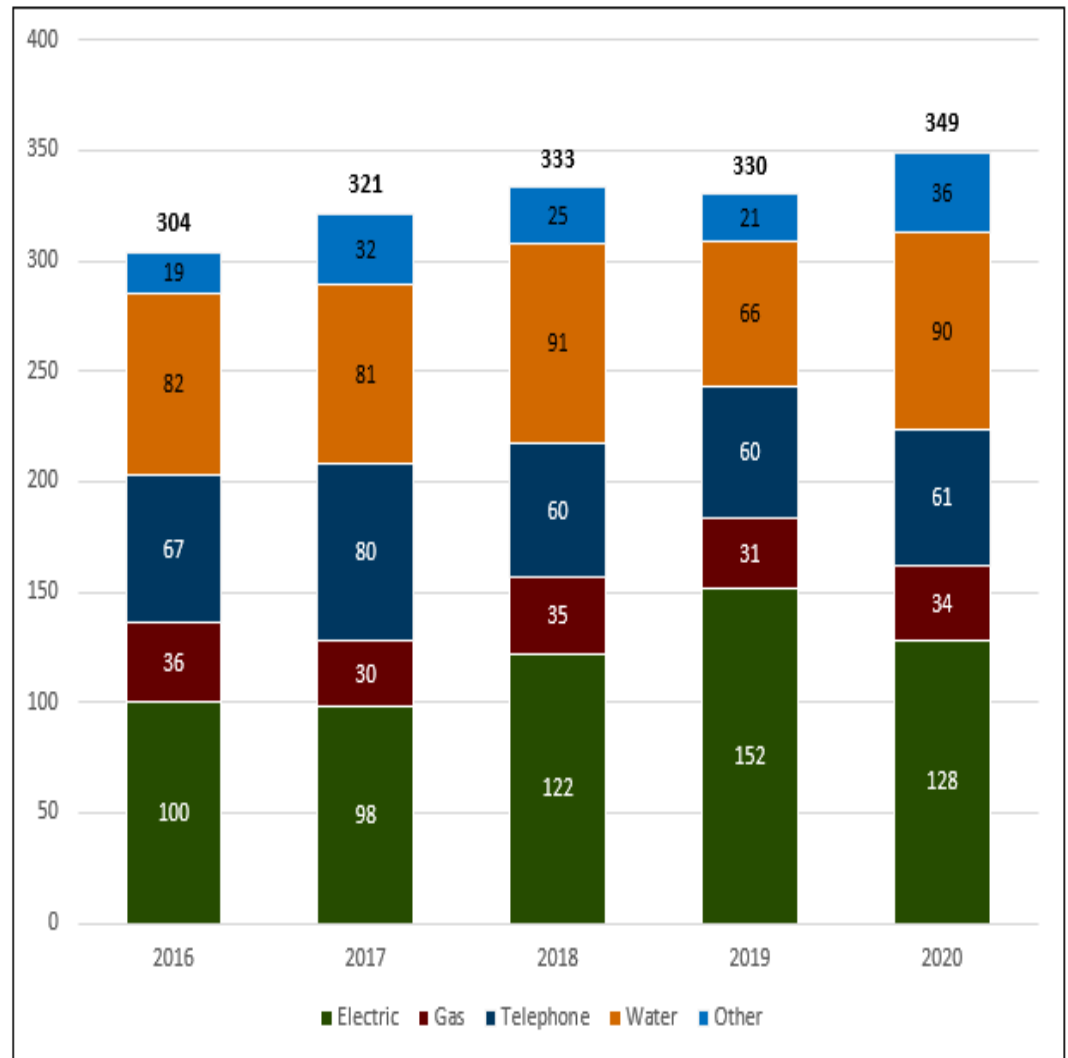
## RATE-SETTING

### Discretion

- The Commission's discretion is not unlimited
- Utilities are entitled to rates that are "just and reasonable"
- 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

# OPERATION

## CASES BY INDUSTRY



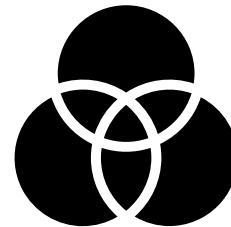
# OPERATION

## PUC FUNDING

- Funded through an assessment on utilities, ***not*** the State General Fund
- 911 System funded by a monthly surcharge per line or retail transaction

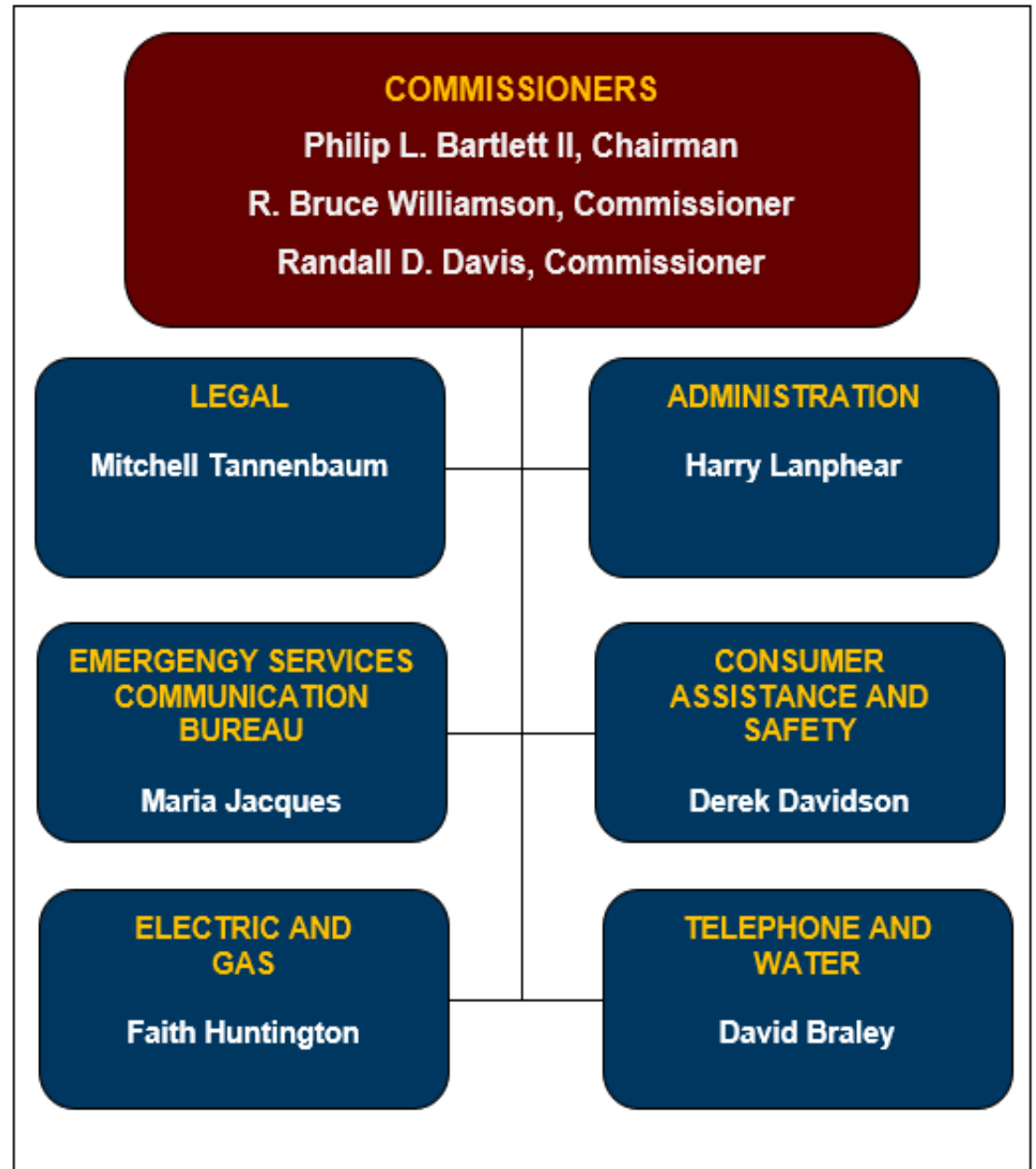
**PUC**

# **ORGANIZATION**





# ORGANIZATION



**PUC**

**DIVISIONS**

# ELECTRIC & GAS



**Electric & Gas Division**



Operation



Utilities We Regulate



Delivery & Supply



Gas

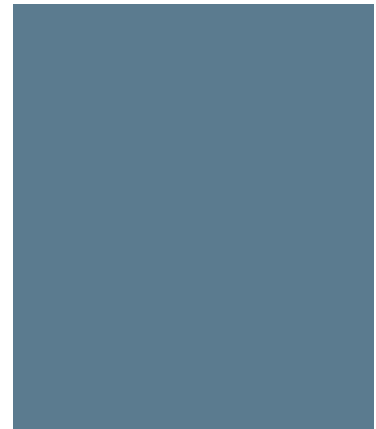
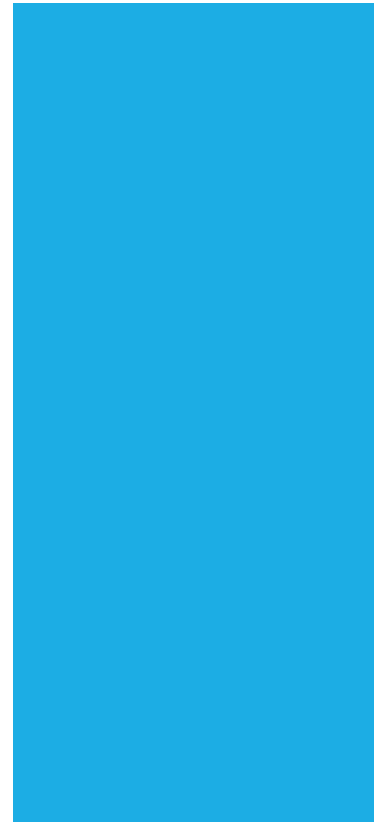
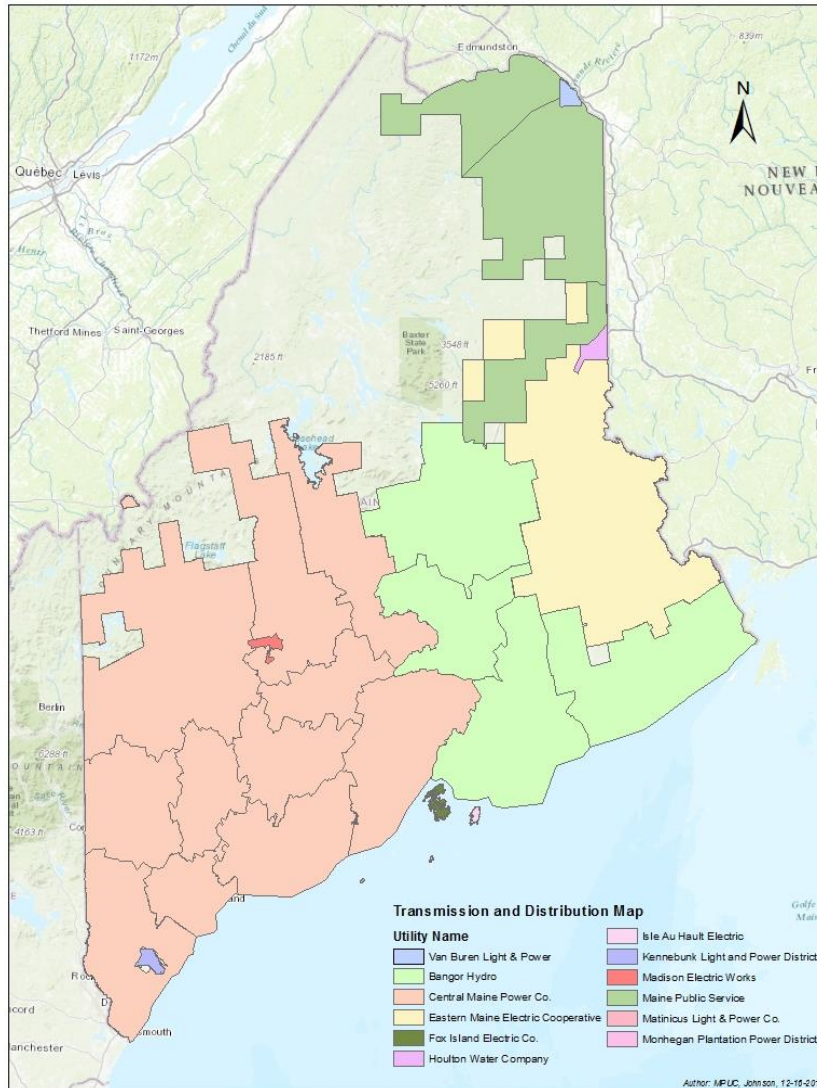
# ELECTRIC & GAS OPERATION

- ✓ *Conducts financial investigations*
- ✓ *Analyzes utility operations & financing*
- ✓ *Advises on matters of rates, revenues, expenses, securities, depreciation, cost of infrastructure, and cost of service*

# REGULATED T&D UTILITIES

- **Two Investor-owned Utilities (IOUs)** serve about 95% of Maine's load –
  - Central Maine Power (CMP)
  - Versant (*Formerly Emera*)
- **Consumer-owned Utilities (COUs)**
  - Eastern Maine Electric Coop. (EMEC)
  - Fox Islands Electric Coop.
  - Houlton Water Co. (Elect. Dept.)
  - Isle-Au-Haut Electric Power Company
  - Kennebunk Light & Power Company
  - Town of Madison
  - Matinicus Plantation Electric
  - Monhegan Plantation Power
  - Van Buren Light & Power District

# T&D SERVICE TERRITORY MAP



# ELECTRICITY COMPONENTS

## DELIVERY

- TRANSMISSION - FEDERAL JURISDICTION
- DISTRIBUTION - MAINE JURISDICTION
  - PUC-Regulated COUs and IOUs

## SUPPLY

- WHOLESALE REGIONAL MARKET
  - Independent System Operator (ISO-NE)
- RETAIL SUPPLY MARKET
  - Competitive sale to end users by CEP, or
  - Standard Offer Supply
    - Procured by PUC
    - Rates set by PUC (not T&D utilities)

# OTHER ELECTRICITY AREAS OF INTEREST

- Standard Offer
- Long Term Contracting
- Net Energy Billing
- Efficiency Maine Trust Oversight

*These areas will be discussed in detail in the Electricity presentation.*

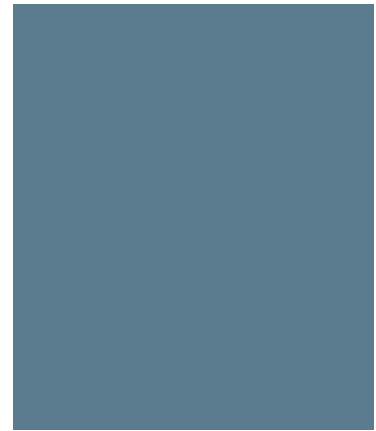
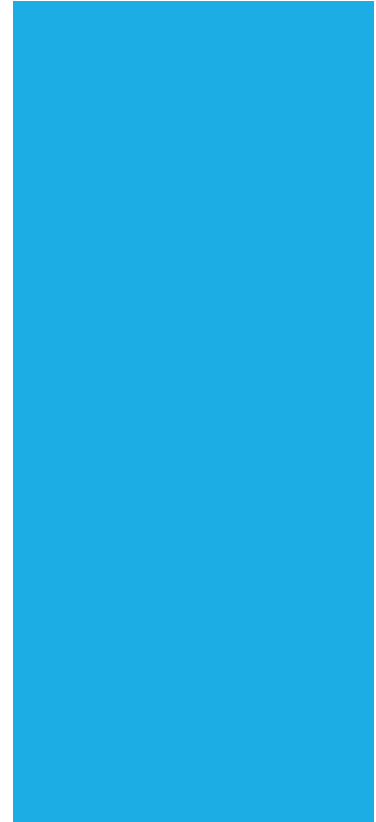
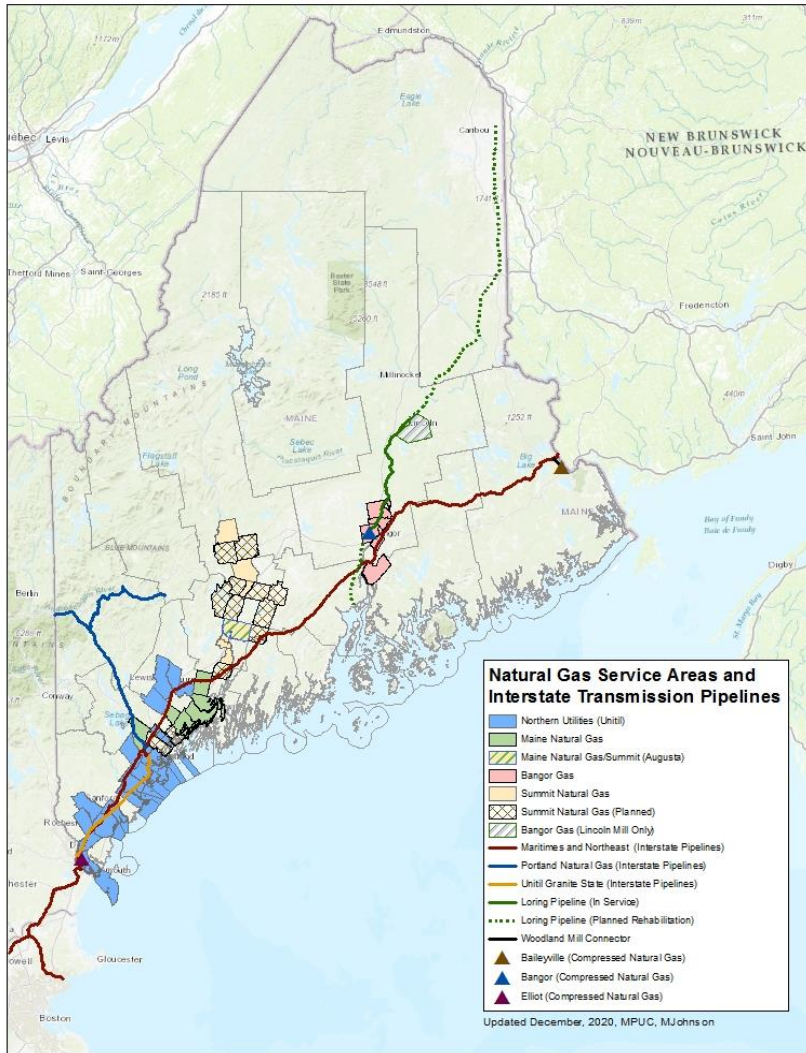


# REGULATED GAS UTILITIES

Company	2016	2017	2018	2019
Bangor Natural Gas	6,003	6,260	6,505	6,899
Maine Natural Gas	4,485	4,645	4,831	5,003
Summit Natural Gas	2,579	3,136	3,504	3,545
Northern Utilities	31,209	31,633	32,199	32,871
<b>Total</b>	<b>44,276</b>	<b>45,674</b>	<b>47,039</b>	<b>48,318</b>

Natural gas local distribution company  
average monthly customers.

# SERVICE AREAS AND INTERSTATE TRANSMISSION PIPELINES



# TELEPHONE & WATER



**Telephone & Water  
Division**



Operation



Telephone  
Regulation



Water Regulation

# TELEPHONE & WATER OPERATION

- ✓ *Conducts financial investigations*
- ✓ *Analyzes utility operations & financing*
- ✓ *Advises on matters of rates, revenues, expenses, securities, depreciation, cost of infrastructure, and cost of service*

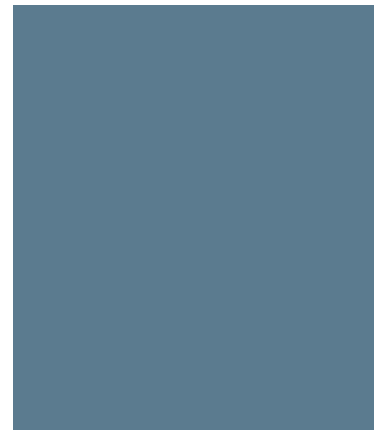
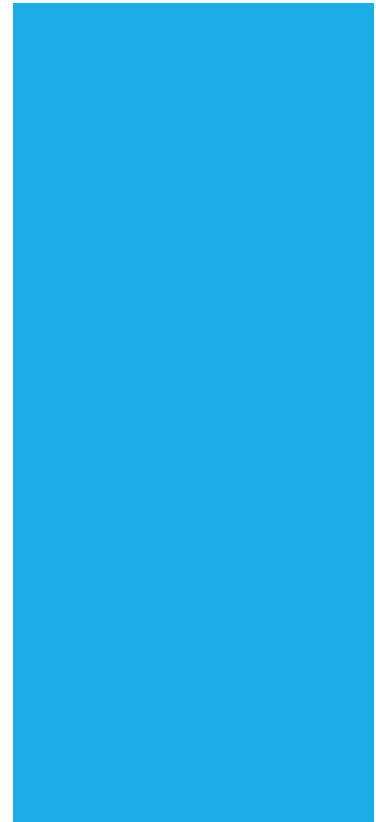
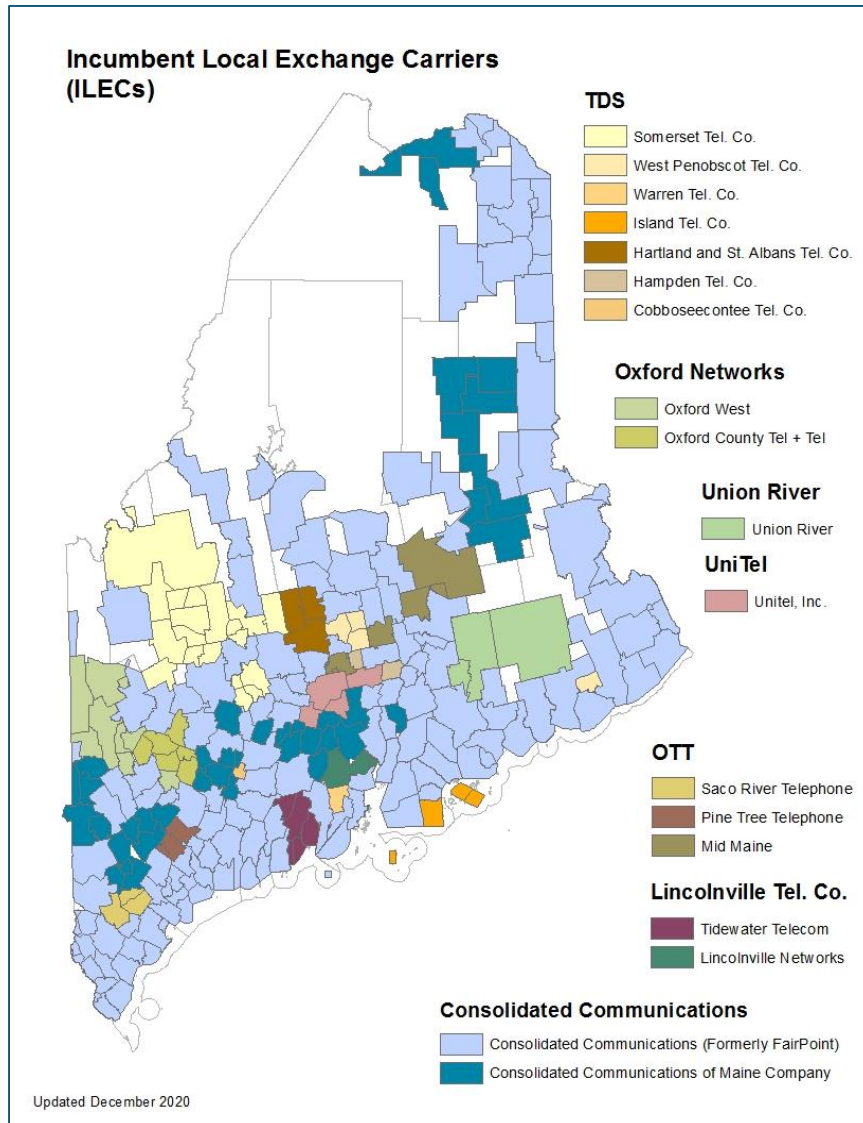
# TELEPHONE REGULATION

- Telephone regulation in Maine limited to retail basic access-Provider of Last Resort (POLR) Service
  - Offered by ILECs; provides basic telephone service at a flat rate within a basic calling area
  - Access to emergency, operator and long-distance service and directory assistance

# TELEPHONE REGULATION

- Efficient use of number resources within 207 area code
- Review Competitive Local Exchange Carrier (CLEC) applications for operating authority or service abandonment
- Federal wholesale obligations - competitors' access to Incumbent Local Exchange Carrier (ILEC) networks to provide service
- Administers funding for several State programs received from landline phone bills:
  - MTEAF, MSLN, MUSF

# TELEPHONE SERVICE AREAS

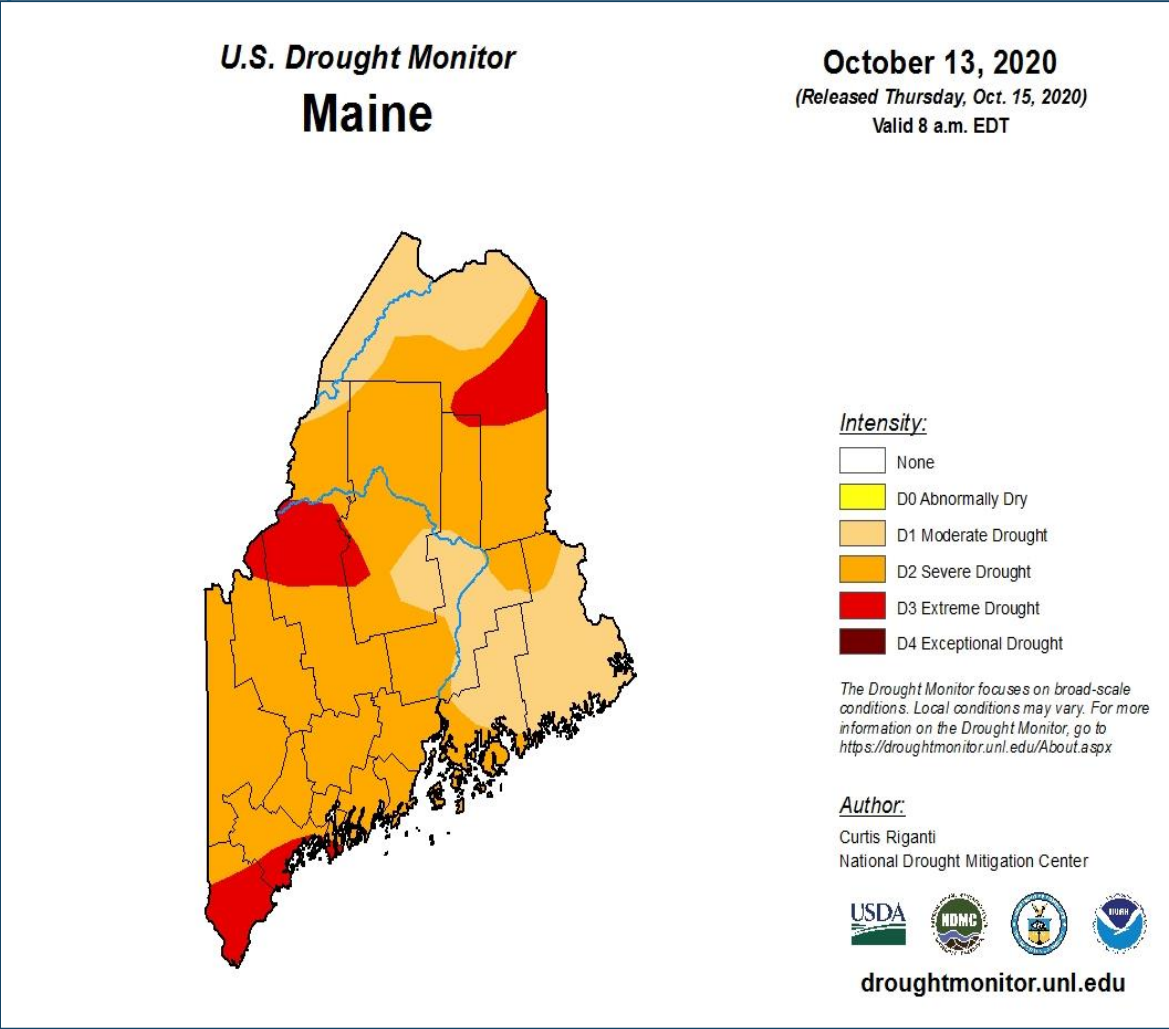


# WATER REGULATION

- *PUC regulates water utility rates & service*
- 152 regulated water utilities in Maine
  - Consumer-owned utilities are quasi-municipal districts & municipal departments
  - Investor-owned utilities are privately held



# 2020 DROUGHT



- Maine experienced a significant six-month drought. The second drought in three years.
- Water utilities were well prepared and none exhausted its resources.
- The State has mostly recovered from the drought.

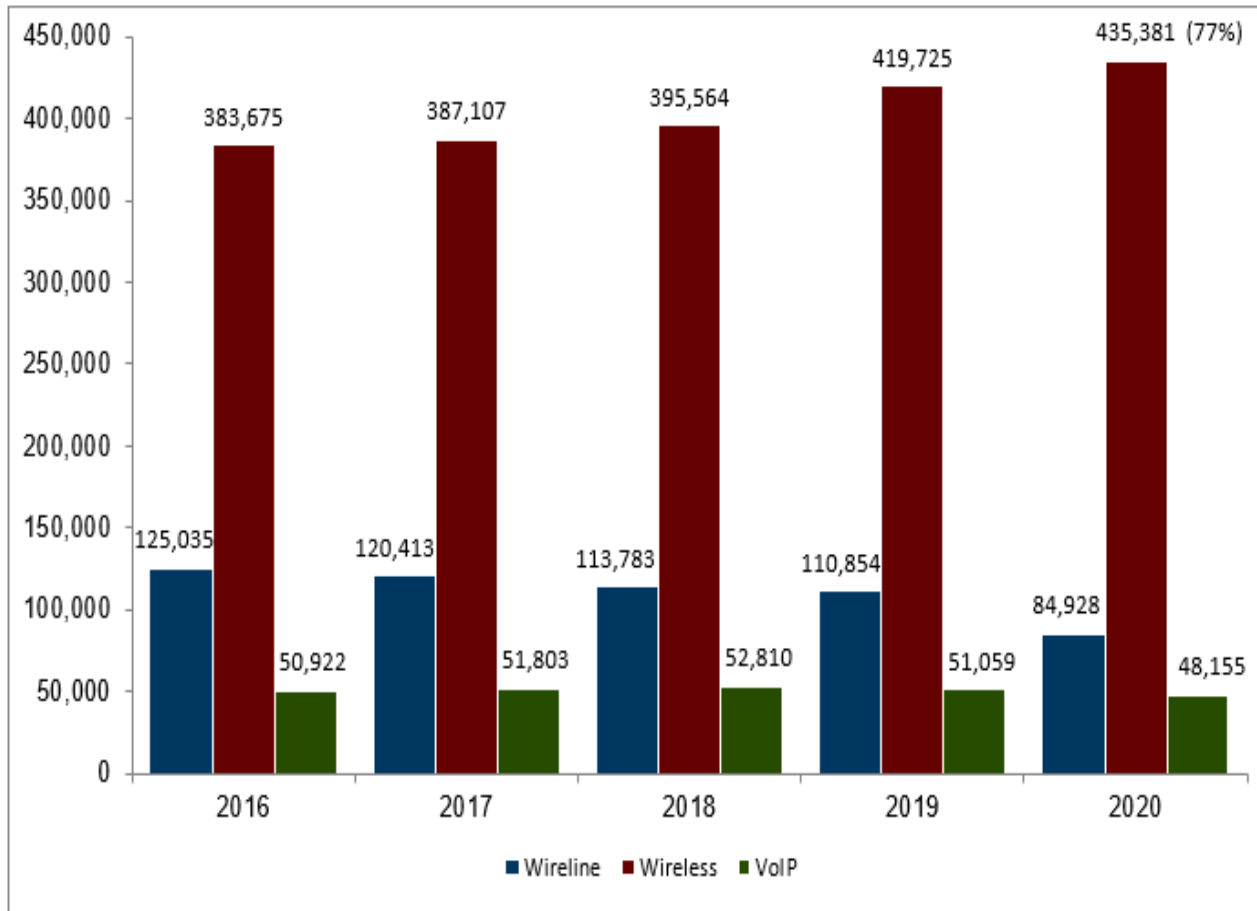
# EMERGENCY SERVICES COMMUNICATION BUREAU

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

# EMERGENCY SERVICES COMMUNICATION BUREAU

- Routes 911 calls to Public Safety Answering Points (PSAPs), based on location information
  - 24 PSAPs
  - Every town must have an Associated PSAP
  - Staffing & facilities costs borne by the PSAP; serving as a PSAP is voluntary
- Location displayed for the PSAP
  - Plots call on a map
- Next Generation 911 system refresh to be complete by February 2021.

# 911 CALL SOURCE (WIRELINE, WIRELESS, OR VOIP)



# ADMINISTRATIVE DIVISION

- Utility case management
- Human Resources
- Finances/budgets
- Contracts/purchasing
- Information Technology
- Press and legislative inquiries

# LEGAL DIVISION

- Acts as hearing examiner(s) on all utility cases
- Court appeals
- Advises Commissioners on legal matters
- Legislative support

# CONSUMER ASSISTANCE & SAFETY DIVISION *“CASD”*

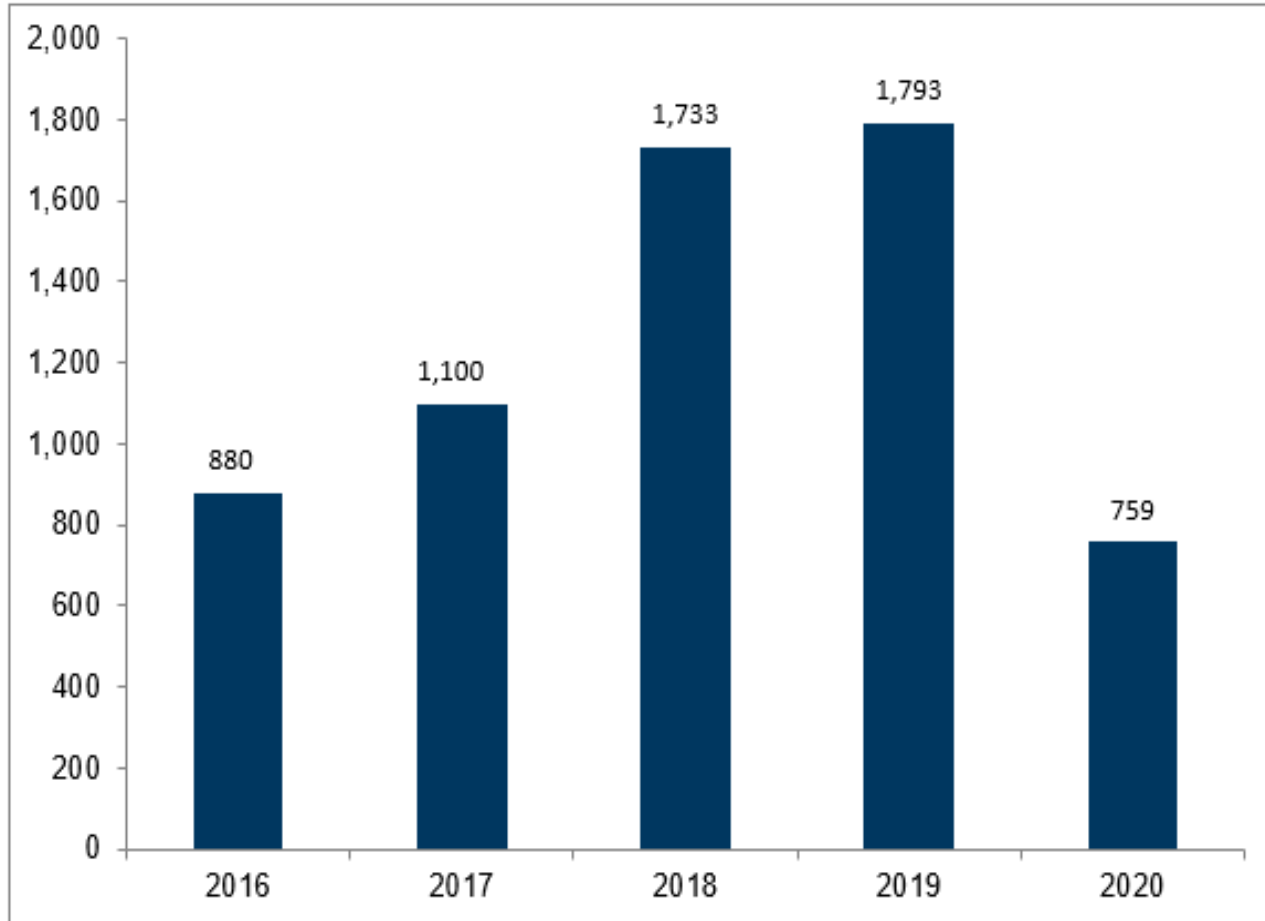
- Provides information & assistance to utility customers
- Handles complaints to help customers resolve disputes
  - *Service, billing, payment, rates, and other utility matters*
- Issues decisions that may be reviewed by the Commission
- Administers Low-Income Assistance Program (LIAP) & Arrearage Management Program (AMP)

# CASD BY THE NUMBERS

- 5,385 consumer contacts in 2020;  
8,977 consumer contacts in 2019
- 759 consumer *complaints* in 2020;  
1,793 *complaints* received in 2019
- Decrease in consumer contacts and complaints attributed to the Covid-19 pandemic



# CASD – COMPLAINT HISTORY



# CASD — NATURAL GAS SAFETY

- Protects the public
- Regulates reliability
- Ensures the safe operation of natural gas distribution lines, intrastate transmission pipelines & certain propane distribution facilities

# CASD-GAS SAFETY ENFORCEMENT

- 281 inspections and compliance audits of liquid propane and natural gas facilities in 2020
- Determines if operators complied with design, construction, operating, and maintenance requirements
- Most problems corrected informally, without notices of probable violations (NOPVs) or civil penalties

# CASD - DIG SAFE & PHMSA

- Dig Safe protects public, excavators and underground facility owners from damage to underground facilities during excavation
  - Electric, gas, telephone, water, sewer, cable television lines
- Maine's Gas Safety and Dig Safe programs received a perfect score from the Federal Pipeline & Hazardous Materials Safety Administration (PHMSA) for six years and two years respectively, for exemplary work protecting Maine's citizens.

# CONTACT CASD

**1-800-452-4699**

File a complaint online

<https://www.maine.gov/mpuc/consumer/contact/index.shtml>

Email: [CASD.puc@maine.gov](mailto:CASD.puc@maine.gov)

# STAKEHOLDER COMMUNICATIONS

[www.Maine.gov/MPUC](http://www.Maine.gov/MPUC)



[www.Facebook.com/MainePUC](http://www.Facebook.com/MainePUC)



[www.Twitter.com/Maine\\_PUC](http://www.Twitter.com/Maine_PUC)

Garrett Corbin-Legislative Liaison

[Garrett.Corbin@maine.gov](mailto:Garrett.Corbin@maine.gov)

207-287-1573 (o)

207-441-2597 (m)

THANK  
YOU!



We look forward to serving as a resource during your legislative deliberations in 2021 and 2022.