

2010

Public Advocate Office Annual Report. July 1, 2009 to June 30, 2010

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**STATE OF MAINE
PUBLIC ADVOCATE OFFICE**

**ANNUAL REPORT
JULY 1, 2009 to JUNE 30, 2010**



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A. INTRODUCTION: SAVINGS FOR RATEPAYERS IN 2009-2010

July 31, 2010

Dear Maine consumer of utility services,

The recently-concluded fiscal year saw approval of a settlement by negotiated agreement of the state's most expensive transmission project (\$1.4 billion price tag); FairPoint's filing for protection under Chapter 11 of the Bankruptcy Code; the rejection by the PUC of applications from CRC and Time Warner seeking to end the rural exemption protections for five rural Maine telephone companies; and the commencement of a proceeding on whether to allow Emera, the parent company of Bangor Hydro-Electric Co., to acquire Maine Public Service Co., among the more than fifty cases in which the Office of Public Advocate was an intervenor. The issues are often complex and difficult to resolve, but we strive to do our very best to represent the long-term best interests of Maine's utility consumers.

This Annual Report is intended to provide you with an in-depth review of the work we do before the Maine Public Utilities Commission, the Maine Legislature, and (when necessary) in state and federal courts, and in other arenas. But the most important information is how our efforts have benefitted you, the utility ratepayers whom we represent, by improving the reliability of the services you receive from your utilities, and by keeping the costs of these services as low as possible consistent with the need for reliable service. Below is our informed estimate of the dollar savings our efforts have produced for ratepayers in cases resolved during the Fiscal Year of July 2009 through June 2010. Later in this Annual Report is a summary of ratepayer savings achieved by the Office of Public Advocate between 1982 (when we were created) and the present.

The Office of Public Advocate is here to serve you, the consumers of utility services. If we can assist you, your family or your business with a utility issue, please feel free to contact our Office – electronically, by mail, in-person at our Hallowell office, or by telephone.

Sincerely,


Richard S. Davies
Public Advocate

B. ADVOCATING FOR UTILITY CONSUMERS IN MAINE SINCE 1982

	2003	2004	2005	2006	2007	2008	2009	2010
A. Federal/regional advocacy % of staff direct time	17%	24%	9%	11%	7%	4%	7%	11%
B. Maine-based in-state advocacy % of staff direct time	83%	76%	91%	89%	93%	96%	93%	89%

C. ELECTRICITY MATTERS AT THE MAINE PUC

1. CMP Maine Power Reliability Program (MPRP) – This was a major case that consumed much of the time of two of our attorneys, and two consultants for two years. The MPRP was a proposal to build hundreds of miles of high voltage transmission lines, several new substations and to rebuild hundreds of miles of existing transmission lines, all at an estimated cost of \$1.5 billion. These costs were expected to be borne by all New England ratepayers. At the beginning of this fiscal year, this case was already pending for one year. The case was delayed by the request of various parties, including the Public Advocate and the Commission Staff, for several iterations of power load flow modeling to be done using assumptions different than those used by CMP and ISO-NE. In the fall, our consultants filed further testimony and the Staff filed a Bench Analysis both of which incorporated the results of some of these load flow runs, and both of which continued to opine that the need for the MPRP was overstated by CMP. In December, CMP filed its Rebuttal case showing further detail on its view of why the MPRP should be approved.

Over the course of this case, there were four heavily attended public witness hearings, one each in Waterville, China, Lewiston and Gorham. During the fall and into early January, there were settlement meetings at the Commission where the Company, the Staff and the so-called “OPA Group” (consisting of the OPA, the IECG, Grid Solar, the Conservation Law Foundation and Environment Northeast) exchanged various versions of settlement proposals.

A separate effort was made by the Public Advocate to work with CMP and with city officials and abutting landowners in Lewiston to mitigate the visual and aesthetic impact of the lines. An agreement was reached whereby the incremental cost of relocating portions of the MPRP within Lewiston, which costs could not be allocated throughout New England, would be financed through a Tax Increment Financing (TIFF) mechanism.

Settlement efforts were interrupted by hearings, which occurred over two weeks in February. At the beginning of these hearings, our experts filed Surrebuttal Testimony. For the first time, our engineering expert found that there was a reliability need for the majority of the project. In March,

parties filed briefs, and in early April the Commission Staff issued an Examiner's Report. At this point, settlement discussions resumed. Based in part on our expert engineer's Surrebuttal Testimony, and in part on the Examiner's Report, we agreed that most of the MPRP should be built, at a cost of \$1.4 billion. In exchange for this agreement, CMP agreed to several things, including paying \$17 million of shareholder funds over nine years into energy efficiency programs, supporting two distributed solar power generation pilots, one in the mid-coast and one in South Portland, cooperation in various transmission planning initiatives, agreeing to the use of an Ombudsman to monitor and help resolve landowner disputes during the design and construction process, and agreeing to fund \$1.5 million for non-utility parties to advocate for changes in how transmission planning and cost allocation is done in the region. The Stipulation containing these provisions was approved by the Commission on June 10, 2010. At year's end, those issues not resolved by the Stipulation were consolidated into Phase II for further process.

2. CMP Advanced Metering Infrastructure (AMI) – At the end of the last fiscal year, the US DOE had issued a Funding Opportunity Announcement to the effect that stimulus money was available for qualifying smart meter proposals. CMP, with Commission Staff encouragement, sought and received a \$96 million grant. This was a 50/50 grant and, according to CMP, reduced CMP's financial commitment to the point where the AMI project benefits were equal to or greater than its costs. CMP's original project (the one proposed in 2007) had cost approximately \$90 million. Now, with this grant, the total project cost was \$182 million. CMP continued to state even at this higher total cost, the DOE grant reduced ratepayer costs so that the benefits outweighed the cost. At this point, settlement discussions between CMP, the union, the OPA and Commission Staff commenced. Ultimately we were unable to agree to support this project and sought to have the Commission deny approval, in spite of the DOE grant. Our opposition was based on a variety of issues, including the fact that CMP's cost numbers and projected savings kept changing (not for the better), the technology was new and evolving and subject to the risk of early obsolescence or inability to live up to promises, cyber-security risks resulting from two-way digital communication with every customer, and potentially elusive supply side benefits associated with dynamic pricing programs, among others. The Commission approved the proposed investment in late January, 2010. At the end of the fiscal year, CMP had proposed that AMI costs, which were higher than predicted, should begin to appear in rates, and CMP was preparing proposed dynamic pricing pilots for Commission review and approval.

3. CMP Record Hill Wind Transmission Line – On July 30, 2009, CMP filed for a certificate to build an eight mile high voltage transmission line through Rumford in order to connect a proposed wind project being developed by Record Hill Wind to its 115kV transmission system. CMP stated that the purpose for the line was solely for the generator and not for reliability, and the entire \$14 million cost of the project would be paid for by the wind developer, with one exception. The wind farm required a conductor of a certain diameter, but CMP proposed to install a line of a greater diameter so that in the future - if load grows or if other wind generators seek to ship power through Rumford - there will be no need to reconstruct the line. CMP indicated that the incremental cost to be borne by its ratepayers for this larger conductor would be less than \$150,000. We have not hired an expert for this case and have so far not taken a formal position. Several local individuals intervened and are opposing the line. Initially, their objection was to the wind farm, but as they became more involved and realized that the PUC could not disapprove the line on that basis and they have sought alternative arguments. At our request, a public witness hearing was held in Rumford on January 19, 2010. About 35 people attended, and 15 testified. In March, 2010, CMP, at the request of the developer, asked that the proceeding be suspended. In June, the case was revived and was heading to a possible hearing, briefing and resolution at the end of the fiscal year.

4. CMP December 2008 Ice Storm Deferral – In this case, CMP sought PUC approval to charge customers \$11.1 million for the incremental costs it incurred restoring power after a significant ice

storm in December 2008 knocked out power to over 200,000 customers in York and Cumberland counties. We joined with the Commission Staff opposing the recovery of half this amount. Our argument was that during the several years leading up to December of 2008, CMP, in order to save money pursuant to its alternative rate plan, had not adequately trimmed vegetation along its distribution lines. When the storm struck, there was therefore much more tree related outages than there would have been if CMP had properly maintained the system. In April 2010, following a hearing and briefs, the Commission agreed with us in part, and decided to allow CMP to recover all but \$3.3 million. As of June 30, 2010, the written Order had not been published.

5. Bangor Hydro, Downeast Reliability Project – This request to build a 42 mile transmission line from Hancock to Harrington was filed in the prior year. In July of 2009, we filed the testimony of our expert engineer supporting the need for this line. After a series of settlement conferences, we agreed with the company to a Stipulation that was approved by the Commission granting the company a certificate. All but \$1.8 million of the \$68 million costs of this line will be allocated to New England ratepayers.

6. Bangor Hydro Advanced Metering Infrastructure – Bangor Hydro installed smart meters several years ago, but came forward this year seeking approval to upgrade to a full Advanced Metering Infrastructure investment. This \$8.6 million investment would include the large central data management system that would allow for taking meter readings every 15 minutes. Like, CMP, Bangor Hydro sought a federal grant to offset some of the costs, but did not win an award. We objected to this investment because of the newness of this technology. We believe there are several key risks related to the evolving nature of this technology, including cyber-security, failure of function, obsolescence resulting from yet-to-be-established standards or competition among vendors. Our objections were noted, but the Commission approved Bangor's request. At year's end we were working with the Commission Staff and the company on how to structure dynamic pricing trials.

7. Bangor Hydro/Maine Public Service Merger – In March of 2010, Bangor Hydro's corporate parent, Emera, announced an agreement to purchase the shares of Maine & Maritimes Corporation, the corporate parent of Maine Public Service, for \$76 million. This amount was 40% higher than the current trading value of the Company. In the following weeks, BHE and MPS filed for Commission approval of this merger. We intervened and secured the services of two experts to help us evaluate the proposal. Following discovery, our experts filed testimony indicating that the transaction should only be approved if a list of conditions were imposed upon the Petitioners. At the end of the fiscal year, parties were beginning settlement discussions.

8. Utility Line Extension Stakeholder Group – During the 2009 session the Legislature enacted a Resolve (Resolves 2009, Chapter 69) directing the Commission to convene a stakeholder group, including our office, to study the practices of investor owned utilities with respect to new utility line extensions. The stakeholder group met four times between September 1 and December 2009. As required by the Resolve, on February 22, 2010, the group filed a report with the Utilities and Energy Committee. The report focused on the different views of private line contractors and the utilities, particularly CMP. Our office expressed the view that there must be a balance between fair competition and protecting customers from long delays in obtaining service.

9. CMP Request to Modify the Service Quality Indicators (SQI) for Complaint Ratio – In July of 2009 CMP requested the Commission to adjust the SQI complaint ratio, established in its 2008 Alternative Rate Plan, to exclude complaints in certain cases. CMP has asserted that because of the recession there is an unprecedented rise in customer complaints to the Commission's consumer complaint division. As a result of these complaints CMP's SQI for the complaint ratio will exceed its maximum penalty level- causing the company to incur a \$5 million penalty. Litigation in the case is ongoing and a

Commission decision is expected in October 2010. Our office has taken the position that CMP's change in credit and collection practices during 2008 and 2009 contributed to the dramatic increases in consumer complaints.

10. Algonquin Power Fund (America) Inc. – Algonquin Power, a member of the Algonquin group of affiliated companies based in Canada, is seeking Commission approval to build a 345kV transmission line from Houlton to Haynesville Maine, providing an interconnection between the service territory of Maine Public Service (MPS) and ISO-NE without requiring MPS to become a member of ISO-NE. The line is proposed as a "merchant line" with costs to be supported by reservations and wheeling payments from power generators and competitive energy suppliers and will thus not be part of the rate base of any public utility. The case presents the first instance where the Commission has been asked to determine the "need" for a merchant line since restructuring.

11. "Best Rate Option" Case – The PUC approved the use of a "best rate option" for electric utilities in order to ensure that Medium General Service (MGS) commercial electricity customers, who reduce their electricity usage, do not get moved to Small General Service (SGS) resulting in an increase in their bill. The Commission directed the three utilities to participate in the development of customer eligibility requirements and to develop the best rate option for such customers. Our office sponsored the legislation which achieves the result directed by the Commission.

12. 12.6% of Iberdrola Voting Shares Acquired by ACS – Actividades de Construcción y Servicios, SA, ("ACS"), is a Spanish Construction Company acquired 12.6 % ownership interest in Iberdrola, the ultimate parent company of CMP. Under Maine law, this additional purchase results in the creation of an affiliated interest in CMP and is subject to the approval of the Commission. ACS refused to provide information requested by the Maine Commission. ACS filed a letter acknowledging receipt of the request but refused to answer on the grounds that the Commission does not have personal jurisdiction over the company. The parties and the Commission are monitoring ACS' continued efforts to acquire additional shares of Iberdrola.

D. TELECOMMUNICATIONS MATTERS

1. FairPoint Bankruptcy – Legislative – With the late October, 2009 filing by FairPoint Communications, and all their subsidiaries, for Chapter 11 bankruptcy protection with the Bankruptcy Court in the Southern District of New York, our efforts to protect the interests of FairPoint's Maine customers and the public interests of several state agencies moved to a different venue. Governor Baldacci encouraged the OPA to be an active participant in the bankruptcy case, and Attorney General Janet Mills and her staff assisted us in developing the terms of an agreement with a law firm in New York with a strong bankruptcy practice to represent our agency in the FairPoint case. We had hoped to have our state agency counterparts in New Hampshire and Vermont join us in a coordinated Northern New England consumer advocates response to the bankruptcy, but decisions were made in both of those states to be part of their own state responses.

Legislative leaders from the three Northern New England states also envisioned a coordinated response by their respective Legislatures, and planned a November 12th meeting in New Hampshire to hear from state regulators, consumer advocates such as the Public Advocate, and representatives of impacted labor organizations (the Communications Workers of America and the International Brotherhood of Electrical Workers locals representing FairPoint workers) in response to a set of "key questions" related to the current status of FairPoint's network operations and fulfillment of its commitments to each state, the functionality and service of its network; and what should happen (legislatively or otherwise) to put the Northern New England telecommunications network back on track.

Following a conference call of the consumer advocate offices in the three states concerning the problems inherent in both the questions posed by the legislative leaders and the ability of regulators to respond without violating the rules of procedure governing their decision-making processes, it was decided that an effort should be made to persuade the three states' legislative leaders to delay or abandon this scheduled meeting. It was our belief, shared by our counterparts in NH and VT, that the questions posed couldn't be answered by regulators without violating their own rules, and that we needed to see how the bankruptcy case would unfold before the advocates could provide much guidance on what, if anything, might be done legislatively to address any of the issues raised. Following several telephone calls between the Maine Public Advocate and Maine's Senate President Elizabeth Mitchell and House Speaker Hannah Pingree, the legislative leaders decided that delaying the meeting was the prudent decision. It was never rescheduled.

Our active involvement in the bankruptcy case would require a substantial commitment of agency resources. Our budget for the biennium had already been established in early 2009, well in advance of the bankruptcy filing, and we had committed those funds to a range of cases in which we were involved. We had enough to pay a retainer to Arent Fox LLC, our New York bankruptcy firm, and to cover the first one or two monthly invoices for services rendered, but knew that additional funds would be needed to allow us to maintain our involvement throughout the case to the final settlement. Governor Baldacci agreed to submit a Governor's Bill to the 2010 Legislature authorizing the Office of Public Advocate to assess all telecommunications service providers doing business in Maine in order to raise \$100,000 to support the OPA's involvement in the bankruptcy case. This assessment would be in addition to our normal assessment of all regulated utilities in Maine, which is used to fund our normal operations. The supplemental assessment would go only to telecommunications service providers since all of them faced some risk if FairPoint's bankruptcy caused any deterioration of services on the PSTN (Public Switched Telecommunications Network).

The Governor's Bill ("An Act to Facilitate the Involvement of the Public Advocate in the FairPoint Communications Bankruptcy Case") was sponsored by Rep. Jon Hinck and Sen. Barry Hobbins, the chairs of the Utilities and Energy Committee, and a bipartisan group of other committee members. At its public hearing in late January it was supported by testimony from the PUC, the Department of Public Safety, the Maine Emergency Management Agency and others. The committee held a work session on the bill the following week, and voted unanimously to approve the bill as written, adding only the necessary language allocating the money to be raised for the retention of outside legal counsel for the bankruptcy proceedings. It was enacted in late February, 2010 in both the Senate and House, and the "Emergency" bill was signed into law on March 1, 2010.

At the same time that this legislation was making its way through the Legislative process, the OPA was brought into a dispute at the bankruptcy court between the PUC and FairPoint over "service quality indicator" penalties imposed on FairPoint by the Maine Commission for failing to meet previously determined standards of service to its customers. The PUC was intent on having FairPoint pay the multi-million dollar penalty immediately, and FairPoint was arguing that this penalty was barred as a result of its bankruptcy filing. Judge Lifland requested that the OPA join in negotiations with FRP and the Maine PUC on a "regulatory settlement" of Maine issues, which are subject to Maine PUC action because they were part of the original 2008 stipulated settlement allowing FairPoint to acquire Verizon's landline business in Maine. This "regulatory settlement" would be the recommendation of the OPA, FRP, and the designated representative of the PUC on how to resolve these settlement-related issues in a way to allow FairPoint a reasonable opportunity to be successful after emerging from bankruptcy.

The OPA met with FairPoint and its bankruptcy counsel, and with Amy Spelke, the PUC's designated representative in the negotiations, on several occasions, and on February 10, 2010 we agreed to a small but important set of modifications to the original settlement agreement with FairPoint, which

we recommended to the full PUC for approval. One of the sections in this regulatory settlement (Section 4.4), proposed by FairPoint, provides that upon the effective date of the (FRP Bankruptcy) Plan, FRP will reimburse the Maine PUC and Maine Office of Public Advocate “for all of its actual reasonable out-of-pocket expenses and costs in connection with FairPoint’s chapter 11 case, including without limitation, the reasonable fees and expenses of all professionals, including legal and financial advisors retained by the Regulatory Parties (PUC and OPA) in connection with the chapter 11 cases or any proceeding before the Commission to approve the Regulatory Settlement and change of control provided under the Plan, plus any other direct costs reimbursable by FairPoint under applicable Maine law.” This provision, which we did not seek but agreed to, would provide more complete reimbursement of the OPA’s actual expenses in the bankruptcy case than would the Governor’s Bill (which was limited to no more than \$100,000). But it also could create the appearance that the Office of Public Advocate was agreeing to the other provisions in the Regulatory Settlement in order to get more of its costs reimbursed. For this reason, it was important to continue pursuing the enactment of the Governor’s Bill in order for the OPA to have an alternative source for funding its bankruptcy involvement in the event that we ever reached a conclusion that the Regulatory Settlement would not adequately protect the interests of Maine ratepayers and public interests. One provision of the Regulatory Settlement allowed the OPA forty-five days to review FairPoint’s four-year business plan and supporting materials (not available to the OPA until the Public Advocate signed the Regulatory Settlement) and to withdraw our support for the settlement agreement if the information failed to support the assumptions underlying the Regulatory Settlement. Having the Governor’s Bill enacted allowed us to render our decision whether to continue, or to withdraw our support, without consideration of whether our decision was affected by the funding attached to it. We ultimately determined to support the Regulatory Settlement, and announced that we would not assess Maine telecommunications service providers for the \$100,000 included in the Governor’s Bill. We expect the final approval of the FairPoint bankruptcy settlement, including the Maine Regulatory Settlement provisions, to come in July 2010, with reimbursement of our actual bankruptcy case expenses to be made shortly thereafter.

2. “Dark Fiber” Matters – In mid-January, 2009 we met with Dwight Allison, co-owner of Maine Fiber Company, the recipient of a \$25.4 million ARRA grant for a project, called Three Ring Binder, designed to bring “middle mile” dark fiber access to portions of Maine where high speed broadband access is limited or nonexistent. This project, when built, would offer this “unlit” fiber optic cable to any customer at a price that is 30% below that currently being charged for dark fiber in Maine (if available at all). Mr. Allison advised us that in order to build this 1100 mile project within the existing resources (the ARRA grant funds plus more than \$7 million of private investment he will raise to match the grant), Maine Fiber Co. (MFC) needed to gain access to about 36,000 utility poles on which to hang the fiber optic cable. This would require legislation to allow MFC this access.

The needed legislation (LD 1778, “An Act to Enable the Installation of Broadband Infrastructure”) was introduced in February, and a lengthy and contentious public hearing was held on Feb. 24th. The legislation pitted Maine Fiber Co., the Baldacci Administration, potential customers of the MFC dark fiber, and others interested in expanding broadband access to unserved and underserved parts of Maine against FairPoint Communications and their unionized workforce (both of whom feared that the deployment of the Three Ring Binder project would undercut their company’s economic well-being and its workers’ job security as the company emerged from bankruptcy).

Following a work session on LD 1778 in early March, which was also contentious, the chairs of the Utilities and Energy Committee asked a group of stakeholders, including MFC and both FairPoint management and union representatives, to meet and determine if there might be a compromise possible to resolve this dispute. The stakeholder group included the Public Advocate and the State’s Director of the Office of Information Technology to provide representation for the “public interest”. The stakeholders group met five times over a two week period, and after 25 hours of discussion and negotiation arrived at a

compromise proposal to resolve the need for MFC to gain access to utility poles, while putting in place an innovative plan to generate local dollars to support Maine's incumbent local exchange carriers (ILECs) to extend broadband access to 100% in their geographical territories, while keeping the price for the dark fiber lower than market prices. The Utilities and Energy Committee unanimously approved this compromise in mid-March.

In late March, as LD 1778 was about to be brought to the full Legislature for floor action, Gov. Baldacci received a call from the Secretary of the US Department of Commerce, the source of the \$25.4 million ARRA grant to Maine Fiber Co. He was told by the Secretary that the compromise included provisions that were troubling and could result in the grant being withdrawn. In particular was the proposal to charge customers of the dark fiber \$2-\$3 more per mile for the first five years of operation, and to use the additional funds to provide grants to ILECs to expand broadband access in their territories or, if they had achieved 100% penetration, to use the funds to increase broadband speed.

It was the firm belief of the committee chairs that the U.S. Department of Commerce was not in possession of all the current facts, and they asked for a telephone conference with Tom Power, chief of staff to the Deputy Secretary of Commerce, to discuss the Maine situation and to provide up-to-date information on the compromise. The chairs were correct. The Department was operating on outdated information and believed there was a continuing dispute between Maine Fiber Co. and FairPoint. Once they understood that the compromise was agreed to and supported by both companies, their concerns were greatly reduced. They requested that two very minor changes be made in the compromise proposal, which the committee accepted. With that, the bill was brought to the floor where it was unanimously approved by the Senate and House. Governor Baldacci signed the bill within days of its passage.

The legislation required Maine Fiber Co. to become a telephone utility subject to regulation by the Maine PUC, but allowed the PUC to waive any requirements of telephone utilities which were not appropriate for the regulation of a "dark fiber" provider which does not offer telecommunications services. The law directed the PUC to act on the Maine Fiber Co. application to become a telephone utility within 60 to 90 days of application. The approval was granted within a month. Maine Fiber is currently working out agreements with the owners of the 36,000 utility poles to have their fiber optic cables hung by line workers with expertise in handling fiber optic cables. The company expects to begin building the Three Ring Binder in the summer of 2010, with a goal of completing the 1100 mile project within 30 months.

3. TracFone Designated as Eligible Telecommunications Carrier (ETC) – In mid-July 2009, Wayne Jortner held a conference call with attorneys and managers at Tracfone, a major provider of prepaid wireless service in the US, to encourage Tracfone to apply to the Maine PUC for status as a Lifeline-only eligible telecommunications carrier. ETC designation by the state commission is necessary in order to participate in federal universal service programs such as Lifeline. After various filings and discussions in this proceeding, the PUC designated Tracfone as an ETC. Tracfone then promptly began to offer its "Safelink" program in Maine, under which eligible low-income consumers receive a free handset and 68 free calling minutes per month. We worked with Kennebec Valley Community Action Program (KVCAP), the Maine Community Action Association, and the Governor's office in this case.

In a related matter, both the Commission and the Public Advocate raised issues regarding Tracfone's failure to comply with contribution requirements relating to two statutory Maine telecommunications programs. We asked the Commission to approve Tracfone's ETC petition despite these issues and recommended that the Commission open a separate investigation of Tracfone to resolve its alleged failure to comply with Maine law. That investigation was commenced and the case is pending.

4. “Rural Exemption” Proceedings – Lincolnville, Tidewater, UniTel and Oxford Telephone Companies – On January 30, 2009, CRC Communications (in partnership with Time Warner) a competitive local exchange carrier (CLEC), submitted a “renewed” petition asking the Commission to lift the rural exemptions as to each of five Maine rural incumbent local exchange carriers (ILECs). Those five rural ILECs included UniTel, Inc., Lincolnville Telephone Company, Tidewater Telecom, Inc., Oxford Telephone Company, and Oxford West Telephone Company. During 2009, there was a significant amount of discovery in these five proceedings – Docket No. 2009-40 thru Docket No. 2009-44. CRC and Time Warner filed direct testimony in support of their petitions to lift the rural exemptions. In response, the five rural ILECs submitted testimony by their employees and consultants. Then, in response to both sides, the Public Advocate submitted the testimony of its consultant, Dr. Robert Loube. Under the prevailing federal statute, a finding of undue economic harm requires the Maine Commission to uphold the rural exemption and preclude Time Warner from competing in those territories. In his testimony, Dr. Loube concluded that competitive entry by Time Warner in the rural territories of the five ILECs would result in undue economic harm to those companies and threaten universal service for their customers. In our view, this consideration was more important than the advantages for customers who would like to have the option of choosing the Digital Phone service of Time Warner Cable. Selective competition by Time Warner in those five particular rural areas will cause the incumbent telephone companies to be rendered non-viable. In our view, there will be no beneficial competition if the small phone companies are not able to survive. Many rural customers rely on the telephone company and, as a result, will never have the choice of telephone service from Time Warner because Time Warner has no obligation to serve high-cost customers.

In its Final Order, issued July 9, 2010, the Commission agreed with the majority of Dr. Loube’s testimony and rejected Time Warner’s and CRC’s petition. Subsequently, Time Warner filed an action at the Federal Communications Commission seeking to preempt the Maine Commission’s Order. The Public Advocate will continue to oppose Time Warner because undue economic harm to these five Maine ILECs would threaten the ability of those companies to provide telephone service to all of their customers as they are currently required to do. Time Warner, on the other hand, is able to choose which customers it wants to serve based on its obligation to maximize profits for shareholders.

5. Advocacy at the FCC Seeking Additional USF Support for FairPoint – In January, the Public Advocate joined the Maine and Vermont Commissions in the filing of comments urging the FCC to comply with a court order requiring a new high-cost model to calculate support for companies like FairPoint which serve large numbers of rural customers even though designated as a non-rural carrier.

6. Low Income Benefits For Former Unicel Customers – After Verizon Wireless acquired Unicel (a/k/a RCC), negotiated arrangements for Verizon Wireless to notify all former Unicel customers about their two options to continue low-income (Lifeline) benefits -- either through their local telephone company or through US Cellular. We arranged for a central referral to the Maine Community Action Association which has been educated by our office to enable them to provide appropriate information. This action was necessary because Verizon Wireless chose not to participate in the federal Lifeline and high-cost support programs. We also negotiated an extension during which low-income benefits would continue to receive Lifeline benefits prior to choosing a new service. Verizon Wireless further agreed to provide calling plans to Unicel customers that were at least as advantageous as the ones currently under contract and waive all early termination fees for customers choosing to find a new provider.

7. U.S. Cellular -- Request for Re-certification as ETC – U.S. Cellular Corporation (USCC) submitted an application requesting that it be re-certified as an "eligible telecommunications carrier" (ETC) for receipt of federal high-cost universal service funds and reimbursement for Lifeline discounts. We suggested that the Commission examine that application carefully because it appeared to us that U.S. Cellular should be more proactive in advertising the Lifeline program and should provide a local calling plan that is more comparable to that of the local telephone company, as required by federal rules. The Commission recertified US Cellular as an ETC in Maine.

8. Proceeding to Determine Whether Time Warner and Comcast Are Subject to General PUC Jurisdiction As Telephone Utilities – In May, over a year after the final arguments of the parties in this proceeding, Commission Staff issued an Examiner's Report which agreed with the Public Advocate's arguments that Time Warner and Comcast meet the definition of "telephone utility" under Maine law, and further, that there is no federal law that would preempt the Maine Commission from regulating the telephone services of these cable companies. A final Commission decision remains pending.

9. FairPoint Communications -- Chapter 11 Reorganization – After FairPoint filed for bankruptcy reorganization in New York City, we interviewed several New York law firms that specialize in bankruptcy cases in New York, and ultimately chose the Arent Fox firm. However, our efforts to assemble a public-interest coalition failed. We assembled a group of State-of-Maine interests that included the Department of Public Safety and the Maine Emergency Management Agency. The Maine PUC hired its own bankruptcy counsel.

Soon after its October 26 filing for Chapter 11 re-organization, FairPoint began to pressure the bankruptcy counsel representing public utility commissions, seeking to escape from some of the service-quality (SQI) and broadband build-out requirements that it had agreed to in late 2007, at the time that it was seeking approval for its acquisition of the Verizon telephone exchanges in northern New England (NNE). The Company's goal seemed to be to weaken or eliminate a number of those conditions that the Public Advocate negotiated during the acquisition proceeding.

Starting on November 30, 2009, there was a significant dispute between FairPoint and the Maine PUC regarding the Order issued by the PUC that required FairPoint to give its customers a monthly \$1.72 credit for FairPoint's failure to satisfy service quality standards in 2008-2009. Initially, the bankruptcy court stayed the PUC's order that FairPoint pay service quality penalties but, eventually, the bankruptcy judge ordered FairPoint to participate in mediation with regulatory officials and parties in Maine, New Hampshire and Vermont.

In January and February Bill Black and Wayne Jortner, together with our bankruptcy counsel, engaged in active negotiations with FairPoint and the secured lenders who were to become the new owners of FairPoint under the plan of reorganization. Negotiations were difficult and contentious but substantial progress was made toward an agreement concerning FairPoint's post-bankruptcy regulatory obligations. On February 9, after a month of negotiations, the Public Advocate reached an agreement with FairPoint and its secured creditors. That settlement preserved most of the benefits that we had bargained for at the time of the acquisition of Verizon-Maine but included a few concessions, including a reduction in the number of customers that FairPoint would be required to serve with DSL within the agreed upon time frames. In addition, the Settlement included the payment of the full "service-quality index" (SQI) rebates to customers, broadband price de-averaging, and a FairPoint contribution to the ConnectMaine Authority of \$100,000 that will enable ConnectMaine to issue more grants to bring broadband to unserved areas of Maine. Also included in the Regulatory Settlement were provisions that

require reimbursement by FairPoint of actual costs incurred by the PUC and the OPA for their involvement in the bankruptcy proceedings.

At the beginning of May 2010, the Maine Commission held two days of hearings in consideration of that settlement. As a signatory, the Public Advocate was bound to support the settlement. Although there was substantial cross examination of FairPoint witnesses, no party urged the Commission to reject the settlement and the Commission, by a 2-1 vote, ultimately approved the agreement that was negotiated by the Public Advocate and a representative of the Commission.

E. NATURAL GAS MATTERS

1. Cast Iron Gas Main Replacement in Portland, Westbrook and Southern Maine –

After a lengthy proceeding involving technical conferences, hearings, and extensive briefing, the Public Advocate and Unitil signed a settlement agreement that was ultimately approved by the Commission. During the course of the proceedings, both the Public Advocate and Unitil argued that Unitil should not be required to make large capital investments (approximately \$65 million) over an unduly short time period because unduly large rate impacts would result. Commission staff, believing that cast iron mains present safety concerns, sought a shorter and more expensive replacement program. Evidence provided by Public Advocate and Company witnesses demonstrated that Unitil currently operates a very safe system and that a longer replacement program would substantially mitigate rate impacts without compromising safety. We attended a public witness hearing in Portland, during which several legislators spoke out against the Commission's rapid replacement proposal, including the Chair of the Utilities and Energy Committee. Portland's Director of Public Works and other citizens concerned about the rate impacts and construction disturbances also testified against the Commission Staff's proposal. The final approved settlement was a compromise that provided for a comprehensive infrastructure program to be completed by 2027. This program will nearly double Northern's rate base but will provide a more efficient system with capacity for growth and less need for leak monitoring and detection. A special rate recovery mechanism for these program expenditures is expected to be ordered at the conclusion of Northern's next base proceeding, which is expected to be filed in early 2011. Northern also expects to seek substantially higher rates as a result of the cast iron replacement expenditures made in Lewiston and Auburn several years ago, and other increased operational costs.

2. Semi-Annual Cost of Gas Proceedings – The Public Advocate routinely participated in discovery and hearings relating to reconciliation of gas commodity costs for Northern, Bangor Gas, and Maine Natural Gas. We have raised issues in some, but not the majority of these cases, which are often routine. In one case involving Northern, we questioned the inclusion of certain FERC litigation costs.

3. Granite State Pipeline Study – Public Advocate Staff attended joint meetings with the New Hampshire Commission Staff to discuss the possibility of converting the Granite State interstate pipeline into state jurisdictional distributional facilities to be divided between the Maine and New Hampshire jurisdictions. Unitil, which owns the FERC regulated Granite State pipeline, does not recommend any change to the existing engineering and regulatory structure. A final study filed by Unitil suggests that the cost of such conversion outweigh the benefits of taking the Granite pipeline out of the federal jurisdiction. The Public Advocate and Maine Commission Staff are continuing to pursue this issue before being satisfied that the costs and benefits of this change are not worth pursuing.

4. Maritimes and Northeast Pipeline Rate Case – FERC Settlement – After participating in negotiations at the Federal Energy Regulatory Commission, the Public Advocate entered into a settlement of all issues. In particular, we raised issues of rate design to ensure that Maine customers paid only their fair share of pipeline costs, given our closer proximity to the source of the gas in Nova Scotia

and lower compressor costs to move fuel. We were assisted by an expert familiar with interstate gas pipeline infrastructure and regulatory matters.

5. Northern Utilities -- IRP Stipulation – In December, 2009, we signed a Stipulation in the Northern Utilities integrated resource planning (IRP) case, which was approved by the Commission. This agreement ensures that Northern undertakes resource planning in a way to ensure adequate supply and lowest costs when contracting for gas supplies.

6. Maine Natural Gas -- Settlement Agreement – In December, 2009 -- after working with the Maine PUC Advisory Staff, we signed a stipulation in this Maine Natural Gas proceeding. That stipulation permits Maine Natural Gas to increase its rates two times going forward, so long as it satisfies two revenue-return tests. Maine Natural Gas is a very small start-up gas utility and is subject to alternative regulation that is more compatible with its size and its need to charge rates that are lower than those that might result from traditional regulation.

7. Unitil/Northern – Proceeding to Review Gas Cost Hedging - In August, we participated in a conference to discuss the Company's progress on a new hedging program to avoid volatility in the cost of gas. The previously approved program unfortunately resulted in extra costs of about \$5 million to gas customers in Maine. The new program was designed with a number of improvements.

8. Meeting Concerning Sable Island Natural Gas Interruption – In June, the Public Advocate met with Karin Tilberg and other state agency representatives to hear from Joe Sukaskas from the Maine PUC about the planned interruption on the flow of natural gas from Sable Island in August. The gas from Sable Island is the primary supply for most or all of the gas-fired power plants in Maine. The PUC has been making an effort to assess the potential impact on electricity production in Maine during the period of the planned interruption. The operator of the Sable Island gas field was unwilling to delay the interruption until the fall (and thus avoiding the month in which gas demand is historically at its peak), but the group asked the PUC commissioners if they would send a letter on behalf of the Governor asking the operator to reconsider.

9. Granite State Gas Transmission Rate Proceeding – In June, Granite State filed a rate case seeking substantial rate increases at the Federal Energy Regulatory Commission. Granite is a federal jurisdiction pipeline owned by Unitil and it feeds the Northern Utilities system. The Public Advocate hired a consultant to assist us in reviewing the Granite State filing and participating at FERC in order to minimize resulting rate impacts.

F. NUCLEAR POWER AND NUCLEAR WASTE MATTERS

1. Maine Yankee Oversight Meetings – Every three months a group of state officials, including the Public Advocate, meets with representatives from Maine Yankee to review developments and update attendees on issues regarding the former Maine Yankee site and the Independent Spent Fuel Storage Installation (ISFSI). Meetings during this fiscal year covered such topics as recent security inspections at the ISFSI, the results of the Maine Yankee law suit against the United States Department of Energy (USDOE) over damages (2003-06) attributable to the Federal Government's failure to comply with its contract obligations to begin removing spent nuclear fuel from Maine Yankee beginning in 1998, and actions at the federal level regarding Yucca Mountain as the site to which spent nuclear fuel was to be sent.

2. Maine Yankee Lawsuit against USDOE – In July, 2009 we learned that the Judge in the Maine Yankee lawsuit against USDOE had issued a ruling awarding Maine Yankee \$43 million in damages for DOE’s failure to honor its contractual obligation to move spent nuclear fuel from Maine Yankee’s spent fuel pool in Wiscasset to a permanent disposal facility (most likely Yucca Mountain, Nevada). But the judge put the award on hold pending the reconsideration of one aspect of the case. The matter had been re-heard by the judge but still had not been resolved by June 2010. In the meantime, a second such lawsuit was filed by Maine Yankee, this for damages during the period of 2007-2010. It is ready to go to trial but, because there are a large number of similar cases pending throughout the country, the USDOE has suggested negotiations for a “global” settlement of all the cases in one big negotiation. We support such a settlement because it is likely to result in an earlier agreement which will benefit Maine ratepayers. All funds awarded as damages in these cases, or in a negotiated settlement, are to go back to the companies which own shares in Maine Yankee, and then used to reduce the amounts billed to the customers of those owner-companies for the costs of operating and maintaining the ISFSI, and carrying out the other obligations remaining with Maine Yankee.

3. Quarterly Conference calls re: Yankee Atomic Rate and Lawsuit Issues – On a quarterly basis, representatives of the three Yankee Atomic companies (including Maine Yankee), and state regulators from Maine, Connecticut and Massachusetts hold a conference call to review national, regional and state activities regarding nuclear waste disposal, lawsuits against the USDOE, federal actions effecting nuclear power plants (open or closed), and the activities of the several national groups working on nuclear power and waste issues. These calls are scheduled for September, December, March and June of each year.

4. Maine Yankee Investment Overview – Annually, each March, Maine Yankee’s investment advisory firm briefs the PUC Chair and the Public Advocate on the performance of their Nuclear Decommissioning Trust investment portfolio during the preceding calendar year. After under-earning in 2008, the portfolio’s mix of stocks, bonds and cash performed better than anticipated in 2009. The portfolio is still lagging behind its goal of returning a 5.5% return over the most recent five year period, but the 2009 results reversed the decline. Chairwoman Reishus and I had an opportunity to question the company’s advisors and treasurer on expectations for 2010, and what changes in investment strategies they may employ to bring the five-year returns back to the 5.5% target. Fortunately, most of the funds invested are not needed in the short term, so the advisors are able to make long term investment decisions not driven by the need to generate a rapid turnaround in performance. They can tweak their conservative investment strategies to slowly bring results back to the targets over a five year time horizon.

G. WATER MATTERS

1. Aqua-Maine – Camden/Rockland Division – Proposed 7.28% Revenue Increase – In May 2009, the Camden and Rockland Division of Aqua-Maine filed a request for a 7.28% increase in its revenues. The chief issues in this case included increases in the Company’s pension expenses, the cost of a newly-built storage tank, materials-and-supplies expenses, incentive compensation, and the level of the Company’s miscellaneous expenses. Also a party to the case was FMC, Inc., Aqua-Maine’s largest industrial customer. FMC was concerned about the Water Company’s proposed cost-of-service study because FMC was concerned about the effect that higher industrial rates might have on its manufacturing business in Rockland. After the first round of discovery, technical conferences were held in July and August. In early September, the parties met with the Water Company, and, after a two-hour session, negotiated a reduction of approximately \$80,000 to the Water Company’s proposed \$330,000 revenue increase, resulting in a 5.5% increase in revenues. Also, the parties to the Stipulation filed September 16, 2009, agreed not to object to Aqua Maine’s request for Commission approval of its filing its next rate case within less than one year.

2. Baileyville Utilities District – Proposed 9.05% Revenue Increase – After a petition was filed by customers in July 2009, the Public Utilities Commission started an investigation, pursuant to 35-A M.R.S.A. § 6104, of the 9% rate increase proposed by the Baileyville Utilities District. Initially, the Utilities District had proposed a \$90,662 increase or 21.40% of additional annual revenue to cover increased operating expenses. The District had also proposed a change in rate design that, if adopted, would have implemented an 84% increase in the water rates charged to its residential and business customers. The Utilities District indicated that the actual size of the increase would depend on whether the District's largest customer, Domtar, was shut down or would continue to purchase water. Therefore, the Utilities District proposed that the Commission process the case under both scenarios. After the first technical conference, the Utilities District abandoned its request that, if the Domtar plant were to close, the rates for the District's residential and business customers would automatically be increased to make up the resulting revenue shortfall. The parties, including the lead intervener, Gary Kneeland, held discussions that led to a stipulation that permitted the District to increase its rates by 8.26%, or a total revenue increase of \$31,065. Ultimately Mr. Kneeland declined to join in the stipulation, but indicated he would file a letter stating he does not object to the stipulation.

3. Brownville Water Department – Proposed 26.81% Increase in Revenues – On October 6, 2009, the Brownville Water Department filed a Section 6014 request to increase its rates by \$49,476 or 26.81%. In addition to the Public Advocate's petition, the Commission received a petition to intervene from Helen Patterson, a Water Department customer and lead petitioner. After the case conference held on January 19, 2010, data requests were submitted by the PUC Advisory Staff, Ms. Patterson and the OPA. During the course of the proceeding Ms. Patterson filed a number of documents expressing her concerns with the basis for the rate increase, her opposition to a line extension, and her suggestion of a conflict of interest within the Water Department. Some of the issues raised were relevant to the proposed rate increase, and others were not. After the Water Department issued its data responses, a technical conference was held on March 11, 2010. Although she was on the telephone with the Public Advocate one minute before the start of the technical conference, Ms. Patterson indicated that she would not participate in the technical conference because she had deliveries to perform for the local "Meals on Wheels." At the technical conference, despite much questioning, the Public Advocate and the Advisory Staff were not able to identify downward adjustments to the revenue requirement proposed by the Water Department. The Water Department's filing showed that water usage and revenues had decreased during the test period while expenses, including principal payment, had increased. As the Commission noted in its Order Approving Stipulation, "decreasing water revenues and usage do not necessarily decrease the operating expenses of a water utility, which maintain its delivery infrastructure." Furthermore, due to the extensive legal work required to respond to various allegations by Ms. Patterson, the Water Department incurred a higher level of rate case expenses than projected in its original rate filing. Therefore, when the Water Department and the Public Advocate agreed to a stipulation, the resulting revenue requirement was \$5,000 greater than the Water Department's original request. Ms. Patterson objected to the stipulation. However, Ms. Patterson did not participate in the conferences held despite the fact that she had received notices of all conferences, issued data requests to the Department, received the Department's responses, and made numerous other filings. On June 3, 2010, the Commission approved – with Commissioner Vafiades dissenting -- the stipulation that had been filed on March 24, 2010.

4. Sandy Point Water Company – Proposed 126% Increase in Revenues – On August 18, 2009, the Sandy Point Water Company (SPWC) filed a Section 307 rate increase, proposing to increase its rates by \$22,746, or 126%. The SPWC is a small water company that serves only 37 customers. Other than the petition filed by the OPA, the Commission did not receive other petitions to intervene. A case conference was held on September 17, 2009, and thereafter the PUC Advisory Staff and the Public Advocate issued written data requests. The SPWC filed its responses on November 3, 2009, and a technical conference was held on December 11, 2009. Despite extensive questioning, the Public Advocate and the Advisory Staff were not able to identify possible downward adjustments to the

Company's proposed revenue requirement. On that same day, directly after the technical conference, the Public Advocate filed a letter at the Commission stating that the OPA and the SPWC agreed that the Water Company's proposed revenue increase should go into effect as filed.

5. Passamaquoddy Water District – 18.6% Revenue Increase – In mid-October 2009, the Passamaquoddy Water District filed for an 18.6% increase in its annual revenues, pursuant to the Section 307 rate-case statute. Gene Francis, representing the Passamaquoddy Tribe, and George Finch (City Manager) representing the City of Eastport, submitted petitions to intervene. After the Advisory Staff, the Public Advocate, and the Passamaquoddy Tribe, submitted data requests, technical conferences were held on February 2, 2010 and March 1, 2010. After the Water District provided written answers to the parties' oral data requests, the Water District, the City of Eastport, the Passamaquoddy Tribe, and the Public Advocate entered into negotiations. Due to its concerns about the extensive amount of plant recently installed in Eastport, the Passamaquoddy Tribe expressed concerns about whether, in the next revenue case, a greater share of the increase should be allocated to the customers located in Eastport. As agreed in the stipulation ultimately arrived at, the Tribe and the Water District agreed to include the City of Eastport in discussions of that issue before the filing of the Water District's next request for a revenue increase. The need for such a negotiation was driven by the fact that the Tribe has, in the past, provided for all of the capital improvements necessary to serve its tribal members located on the Passamaquoddy Reservation and downstream of its master meters. On March 30, 2010, the parties submitted a Stipulation that resolved the issues in this proceeding, making adjustments for expenses such as contractual services for engineering, materials and supplies, and miscellaneous expenses. On April 16, 2010, the Commission issued its Order Approving Stipulation which resulted in an increase of \$133,899 or an 18% increase.

6. Fryeburg Water Company – Proposed 15% Revenue Increase – At the beginning of January, 2010, the Fryeburg Water Company (FWC) filed a Section 307 request, proposing to increase its revenues by \$72,257, or a 15% increase. In addition to the petition filed by the Public Advocate, the Commission received a petition from ratepayer, William Harriman. After the case conference held on January 22, 2010, the Public Advocate and the Advisory Staff issued written data requests. A technical conference was held on February 22, 2010, with the PUC Advisory Staff and the Public Advocate as participants. On March 19, 2010, the Water Company filed responses to the oral data requests made at the February 22, 2010 technical conference. On March 31, 2010, FWC filed with the Commission a Stipulation entered into by FWC and the OPA. The OPA attempted to reach the customer intervener, Mr. Harriman, but was unable to make contact prior to filing the stipulation. Mr. Harriman was provided a copy of the Stipulation by FWC and the OPA. On April 13, 2010, Mr. Harriman spoke with the PUC Advisory Staff by telephone and indicated that he was neither objecting to nor joining the Stipulation. The Stipulation provided for an increase in revenues of \$62,257, or a 12.9% increase, adjusting for past rate case expenses and the FWC's return on equity.

7. Southwest Harbor Water Department – Proposed 45.47% Revenue Increase – On July 20, 2009, the Southwest Harbor Water Department (SHWD) filed a Section 6104 request, proposing to increase its revenues by \$228,776, or a 45.47% increase, to take effect on October 1, 2009. Starting in August, we had a series of conversations with customers of the Water Department who had questions about the Departments filing, and about the steps necessary to request a Commission investigation. After the public meeting held in Southwest Harbor by the Water Department on August 17, 2009, the Public Utilities Commission received a petition signed by 179 customers of the Water Department, requesting a rate investigation. We continued our running conversation with several Water Department customers, who raised questions about several substantial "loans" by the Town of Southwest Harbor to the Water Department. Once the investigation was opened, the Commission received petitions to intervene from Richard Dimond (lead petitioner), Anne Welles, Dr. David Kessner, Margaret McVey (all customers of SHWD), and the Public Advocate. After the case conference held on December 3, 2009, the PUC

Advisory Staff, the intervenors, and the Public Advocate each submitted data requests to the Water Department. All parties participated in the technical conference held on February 25, 2010. Afterwards, on March 8, 2010, the Water Department filed responses to the set of oral data requests that had been asked at the technical conference. On March 10, 2010, the parties filed a Stipulation at the Commission. In arriving at the terms of the Stipulation, the parties considered adjustments for several items, including operating expenses, materials & supplies, and depreciation. In addition, an adjustment was made to remove from the proposed revenue requirement certain amounts of money that had been designated to be “repayments” of loans from the Town of Southwest Harbor to the Water Department. Each party had signed the Stipulation, except for Dr. David Kessner, who indicated that he was not opposed to the Stipulation. On April 1, 2010, the Commission held a hearing on the proposed Stipulation. Two weeks later, on April 16, 2010, the Commission issued its Order Approving Stipulation. Under the terms of the Stipulation, the Department’s total revenue requirement will be \$670,086, representing a revenue increase of \$166,977 (or 33.19%).

8. Aqua Maine -- Camden & Rockland – Proposed 23.61% Revenue Increase – On February 26, 2010, the Camden & Rockland Division of Aqua Maine filed a Section 307 request proposing to increase its revenues by \$1,127,226, or 23.61%. The Commission received four petitions to intervene – from FMC Corporation (the largest industrial customer), the City of Rockland, Lorraine Schleis, and the Public Advocate. On April 21, 2010, a case conference was held at which Ms. Schleis withdrew her petition to intervene, indicating that given the proposed change in minimum charge, she did not have an issue which she wanted to pursue. The Commission granted the other three petitions. Thereafter, the PUC Advisory Staff, the City of Rockland, FMC Corporation, and the Public Advocate submitted data requests to the Water Company. An initial technical conference was held on May 25, 2010, at which (a) three oral data requests were submitted to the Company, and (b) a second technical conference was scheduled for June 8, 2010. At that technical conference, four additional oral data requests were submitted to Aqua Maine and a case conference was scheduled for June 30, 2010. [After the close of the fiscal year, on July 16, 2010, the parties submitted a Stipulation that permitted the Camden and Rockland Division to increase its revenues by \$1,000,000, or 20.95%. At the time of this writing, an Order Approving that Stipulation was scheduled to be deliberated on Jul 27, 2010.]

H. MISCELLANEOUS MATTERS

1. Energy Conservation Board Repealed – The Energy Conservation Board, created in 2007 to advise both the Energy and Carbon Savings Trust and Efficiency Maine, was repealed, effective July 1, 2010, as part of the legislation merging the Trust and Efficiency Maine into the Efficiency Maine Trust. The Public Advocate served as a member of this Board.

2. Electricity Usage in New England is Down – ISO-NE, CMP and others have reported that consumption of electricity in New England, and in the individual states in the region, has been down in 2009 and the first half of 2010, compared to usage in 2008. In some months the reduction has been as much as 12%. While the economy no doubt played a major role in lower consumption, more aggressive state energy efficiency programs and a growing energy conservation culture in the region are also factors. One of the benefits for electricity consumers has been lower wholesale prices for electricity which have translated into reduced prices in Maine’s “standard offer” electric service used by 99% of Maine electricity customers.

3. Ratewatcher Telecom Guide Published Electronically – In September 2009 the Office of Public Advocate published Volume 22 of its Ratewatcher Telecom Guide. Because of tight budgetary circumstances, the Ratewatcher was published only in electronic form which reduced its production and distribution costs substantially, but also reduced the number of persons who received it. Previous volumes

were also distributed by mail, resulting in an estimated 25,000 more households receiving the Ratewatcher than we believe received the electronic version published in September 2009. We hope to return to our previous practice of distributing the Ratewatcher by mail when we publish the next volume – hopefully in September of 2010.

4. **Quarterly meetings with Bangor Hydro officials** – This year we continued our practice of holding regular quarterly meetings with the senior management team from Bangor Hydro-Electric Co. These meetings facilitate regular conversation with the company, outside of PUC proceedings, on a wide variety of matters and build working relationships. The company briefs OPA staff on operational, safety, customer service and planning activities; and keeps us informed on matters that may come before the PUC in the future so there are few surprises. We feel it results in better relationships so both the OPA staff and company officials know who to contact if an issue arises. Because these quarterly meetings have been productive, we have encouraged other utilities to schedule regular meetings with us.

5. **Funding Approved for OPA Involvement in FairPoint Bankruptcy Case** – In late March 2010 the Legislature enacted emergency legislation that provided a source of funding to allow the Office of Public Advocate to actively participate in the FairPoint bankruptcy case in the Southern District of New York, and Governor Baldacci signed the legislation on March 1st. The legislation authorized the Public Advocate to do a special assessment on telecommunication service providers regulated by the Public Utilities Commission in order to raise \$100,000 to defray the OPA's costs attributable to participation in this bankruptcy case on behalf of Maine ratepayers and public interests. The Public Advocate was able to announce in May that the OPA would not need to use this funding source because FairPoint and their secured creditors had agreed to reimburse the OPA for its "actual reasonable out-of-pocket expenses and costs in connection with FairPoint's Chapter 11 case, including without limitation, the reasonable fees and expenses of all professionals, including legal and financial advisors retained...in connection with" the bankruptcy case.

ATTACHMENT A

SUMMARY OF RATEPAYER SAVINGS, 1982 TO 2010 **ATTRIBUTABLE TO PUBLIC ADVOCATE INTERVENTIONS**

1.	FY 10 Various water utility cases where the OPA was the only non-utility party	\$ 343,622
	* CMP's Advanced Metering Infrastructure proposal: In 2007, CMP proposed a \$90 million Advanced Metering Infrastructure investment in the context of a rate case. We strongly opposed the AMI investment, and a June 2008 stipulation that settled the rate case set up a "Phase II" process for ongoing examination of the AMI issue. In early 2010, the Commission approved a revised CMP AMI investment proposal the cost of which was covered in large part by a US DOE smart grid grant. This grant is expected to allow CMP to make this investment with no cost to ratepayers because the benefits of AMI will cancel out those costs. Thus, our advocacy in forestalling approval of AMI in 2008 allowed for this grant to be won by CMP, saving ratepayers approximately \$90 million	\$ 90,000,000
	* Maritime ratepayer savings are attributed to elements: restoring two compressor fuel zones, and expand the first zone to include all of the Maritime delivery points in Maine which reduces the costs of delivering gas to Maine markets. The second element gained was the pipeline's commitment to make up to \$250,000 per year available to subsidize the costs of constructing new gate stations for gas distribution companies seeking to supply gas to new markets off of the Maritime pipeline (this program will be in place for 5 years).	\$8,500,000
2.	FY 09 During FY 09 customers of 10 Maine electric utilities received an increase of 13% in Low Income Assistance Program funding	\$ 906,000
	* Due to a shift in the schedule by which Maine Yankee will collect the cost to repay a loan from the Spent Fuel Disposal Trust Fund	\$ 4,125,000
	* As part of CMP's alternative rate plan, CMP's rates are adjusted each July 1 based on a price index formula. On March 13, 2009 CMP submitted its annual filing. Our Office participated in the review of CMP's request to increase its distribution delivery rates by 10.5% effective July 1, 2009. As a result of a negotiated settlement the Company agreed to an overall 5.9% increase in their distribution delivery rates	\$ 1,900,000
	* FairPoint/Verizon rate reduction	\$ 18,000,000
	* New Unitil Low Income Program	\$ 111,717
	* Various water utility cases where the OPA was the only non-utility party	\$ 21,178

- 3. FY 08** Between July 2007 and July 2008, the Office was able to secure several victories for ratepayers. We helped negotiate lower rate increases for Bangor Hydro than the one originally proposed by the utility, saving \$2.4 million \$ 2,400,000

 - * Central Maine Power rate case and the Central Maine Power-Energy East merger with Iberdrola, these two cases led to reductions secured by the office. In the Energy East/Iberdrola that CMP would not pursue its request to recover \$48 million of alleged merger savings associated with the CMP-Energy East merger that was approved in 2002. This savings was realized in the subsequent agreement that resolved the ARP/rate case. In this rate case, we were instrumental in securing a \$20.3 million reduction in rates compared to what CMP requested. The bulk of the reduction was made up of cost of capital numbers \$ 68,300,000
 - * FairPoint acquisition of Verizon resulted in a rate reduction worth \$90 million over a five year period \$ 90,000,000
 - * Ratewatcher Telecom Guide is estimated to save people \$5 million a year \$ 5,552,023
 - * FairPoint/Verizon case, negotiated a reduced debt for FairPoint from the transaction through a payment at closing from Verizon to FairPoint of \$235,500,000 NA
 - * Various water utility cases where the OPA was the only non-utility party \$ 286,038

- 4. FY 07** The PUC is required to review Verizon's AFOR every five years. At the time of the Commission's first review (in 2001), the Public Advocate asked the Commission to investigate Verizon's revenue requirement because we had good reason to believe that Verizon was over-earning. The AFOR statute requires that the Commission set local rates under an AFOR that are at, or below, the level of local rates that would be in effect for Verizon under traditional rate-of-return regulation.) In 2001, the Commission rejected the Public Advocate's request for a revenue investigation and permitted Verizon to enter a second five-year AFOR. The Public Advocate appealed that ruling to the Law Court and, in early 2003, the Law Court remanded the case to the PUC directing the Commission to examine Verizon's revenues, as required by the AFOR statute. The finding by the Commission Staff that Verizon has over-earnings of over \$32.4 million. At year-end the Commission had not made a decision as to whether to accept all the recommendations in the Examiner's Report. In addition, the Commission was considering A Stipulation that postponed consideration of the Examiner's Report until the first quarter of calendar year 2008 \$32,400,000*

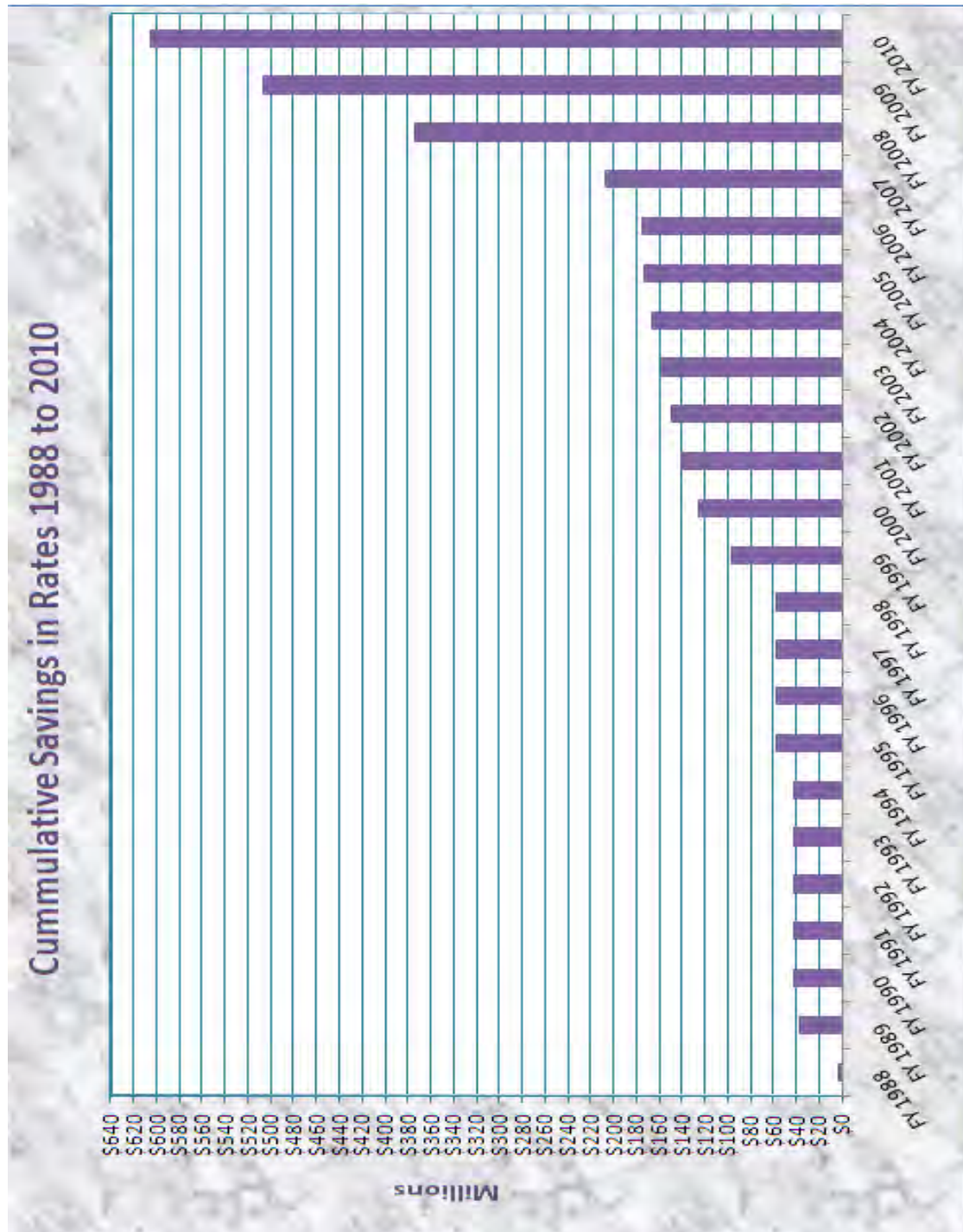
 - * Various water utility cases where the OPA was the only non-utility party \$214,182

- 5. FY 06** Maine Public Service rate case, reduction in final outcome attributable to testimony of OPA witnesses on issues not pursued by any other intervenor \$ 994,000

	* Bangor Hydro ARP Adjustment, a .46% reduction from BHE's original request where the OPA was the only non-utility litigant	\$ 254,740
	* Maine Yankee incentive case at FERC, 50% share of reduction in final payment attributable to success in multi-party negotiations	\$ 400,000
	* Various water utility cases where the OPA was the only non-utility party	\$ 174,201
6. FY 05	Maine Yankee incentive case at FERC, 50% share of reduction in final payment attributable to success in multi-party negotiations	\$ 400,000
	* Central Maine Power Stranded Cost Case, 25% of the reduction resulting from the agreed-to 3-year levelization of stranded costs due to a 4-party stipulation	\$ 5,552,023
	* Maritimes and Northeast FERC Case, 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
	* Bangor Hydro-Electric Stranded Cost Case, 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
7. FY 04	Central Maine Power ARP Adjustment, 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
	* Maine Public Service Stranded Costs, 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
	* Maine Public Service Distribution Rates, 50% of the difference between MPS's overall increase request of \$1.7 million and the final result of \$940,000	\$ 380,000
8. FY 03	Central Maine Power ARP Adjustment, 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
	* Verizon Sales Taxation Adjustment, 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
	* Assorted Water Rate Case Savings, the OPA realized savings in rates of \$83,000 in a series of water district rate cases in 2002-2003	\$ 83,000
9. FY 02	Stranded Cost Cases (MPS, BHE, CMP), 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
	* Bangor Hydro Rate Case, BHE's rate increase request was Plan which we withdrawn by BHE in conjunction with a 6-year Alternative Rate negotiated for the 2002-2008 period	\$ 6,400,000
	* Telephone Rate Cases, lowered levels of local phone rates for Tidewater Telecom and Lincolnville Telephone as a result of negotiated settlements	\$ 557,000

10. FY 01	Maine Yankee Prudence Settlement (FERC/PUC), 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
11. FY 00	CMP T&D Rate Case, Phase II, stranded cost reduction from excess earnings in stipulated resolution accepted by PUC on 2/24/00 ??	\$ 20,000,000
*	Bangor Hydro T&D Rate Case, reduction in final PUC order on items where the only litigant challenging BHE's rate request was OPA	\$ 9,500,000
12. FY 99	CMP T&D Rate Case, Phase I, reduction in final PUC order on items where the only litigant challenging CMP's rate request was OPA	\$ 28,000,000
*	Maine Yankee Rate Case/Prudence Review (FERC), 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
13. FY 97	Consumers Maine Water Rate Case, \$8,000 reduction in final rate increase awards for Bucksport and Hartland where no other party filed testimony	\$ 8,000
14. FY 95	NYNEX Rate Case, \$16.6 million reduction based on items proposed by no other party and adopted by PUC in final order	\$ 16,600,000
15. FY 91	Bangor Hydro Rate Case, \$800,000 in lowered rates based on items by no other party and adopted by PUC on final order	\$ 800,000
16. FY 90	CMP Rate Case, \$4 million reduction based on recommendations not duplicated by any other party which were adopted in the final order	\$ 4,000,000
17. FY 89	New England Telephone Settlement, \$5 million reduction in intra-state where magnitude would have been less without our participation	\$ 500,000
*	CMP Rate Case, only party to file for motion to exclude CMP's late filed attrition testimony, motion granted 12/22/89	\$ 35,000,000
*	Isle au Haut, instrumental in bringing telephone service to island	NA
18. FY 88 and prior		
*	Bangor Hydro Rate Case, provided sole rate of return testimony	\$ 2,000,000
*	Maine Yankee Rate Case, (FERC), successfully proposed equity return at 11.9% and flow-through of \$1.5 million settlement with Westinghouse	\$ 750,000
*	Portland Pipeline Cases, successfully intervened at FERC, PUC, DOE	
*	Natural Energy Board (Canada) for approval of new gas supplies	NA
*	Seabrook Cases, negotiated agreement for \$85 million write-off by CMP and for PUC and FERC approval of sale of Seabrook shares	NA
*	CMP Conservation Programs, worked closely with CMP, PUC and OER for design of new industrial and residential conservation programs	NA
*	Rate Cases: Maine Public Service, 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
19.	Total FY 89-FY 06, excluding settlements	\$ 127,980,000
20.	Total FY 89-FY 10, Including Settlements	\$ 498,320,692
21.	Prior Savings, including settlements, FY 82-FY 88	\$ 107,050,000
22.	Total, excluding settlements, FY 82-FY 10	\$ 152,035,434
23.	Total, Including Settlements, FY 82-FY 10	\$ 605,370,692



**MAINE SPEAKING ENGAGEMENTS, CONTINUING EDUCATION
& DEVELOPMENTAL TRAINING
JULY 2009 THROUGH JUNE 2010**

A. Richard Davies

- July 14, 2009: Panelist - Federal Communications Bar Association meeting (Portland)
- July 27, 2009: Speaker - Casela Task Force (Biddeford)
- July 27, 2009: Interview - Susan Young Bangor Daily News regarding FairPoint
- August 12, 2009: Utilities Committee public hearing on FairPoint (w/ Bill and Wayne)
- August 24, 2009: Interview - Dave Gram (Associated Press in VT) re anonymous FRP email
- August 28, 2009: Interview - Christian McNeil (Portland Phoenix) re transmission issues
- Sept. 28, 2009: Interview - Mal Leary re TracFone wireless Lifeline
- October 5, 2009: Meeting - Calpine officials w/Eric and Agnes
- October 26, 2009: Interview - Irwin Gratz (MPBN) re FRP Ch. 11 filing
- October 26, 2009: Interview - Diana Ichtou (Ch.13) re FRP bankruptcy
- October 27, 2009: Interview - Keith Shortall (MPBN) re smart grid
- November 18, 2009: Interview - Susan Young re HQ buying NB Power
- February 3, 2010: Interview - Ethan Wilansky-Lanford re LDs 1643 and 1646
- March 17, 2010: Kathleen Skelton regarding dollar and cents of wind power
- June 16, 2010: Panelist - Future of telecom in Maine at TAM annual meeting (Rockport)

B. Mary Campbell

- May 5, 2010: Maine PERS Life Insurance
- June 8, 2010: MEPERS Retirement Training

C. William C. Black

- October 7, 2009: Maine Telephone Users Group – Remarks regarding FairPoint and Possible Bankruptcy
- November 4, December 2, 2009: Maine Telephone Users Group – Remarks actual FairPoint Filing/Reorganization and OPA's Strategy
- September 23, December 4, 2009; March 5, June 4, 2010: Maine Relay Services for the Deaf (Advisory Board)
- September 22, October 15, October 16, November 20, 2009; December 10, 2009: Continuing Legal Education

D. Patty Moody-D'Angelo

- September 23, December 4, 2009; March 5, June 4, 2010: Maine Relay Services for the Deaf (Advisory Board)
- July 7, Aug. 4, Sept. 8, Oct. 6, Nov. 3, Dec. 1, 2009; Jan. 5, February 2, March 2, April 6, May 4, June 1, 2010 – Human Resource Briefings and Training
- May 5, 2010: Maine PERS Life Insurance
- May 26, 2010: MEPERS Retirement Training
- June 28, 2010: ADA Coordinators Workshop

E. Eric Bryant

- December 10, 2009: Continuing Legal Education
- June 15, 2010: Speaker NASUCA Conference San Francisco, CA – Transmission

Planning – Integrating Non-Transmission Alternatives: State Siting and RTO
Planning Considerations

F. Debbie Tondreau

- June 29, 2010: How State of Maine Employees Can Order Office Supplies
Online from WB Mason (Session #1) - Webinar

G. Wayne Jortner

- July 22, 2009: Attorney General Continuing Legal Education
- August 18, 2009: Speaker – Portland Senior Citizens Group
- February 3, 2010: Maine Telecommunications Users Group, South Portland
- February 9, 2010: Meeting – Unifil Headquarters Regarding Granite State Pipeline, Hampton, NH
- March 15, 2010: Cable TV Show, TimeWarner Cable Studio, Augusta
- March 16, 2010: Continuing Legal Education, Portland
- June 3, 2010: Attendee - Maine Telephone Users Group Annual Conference, Portland
- June 16-17, 2010: Attendee – Telephone Association of Maine, Rockport

ATTACHMENT D

REGIONAL AND NATIONAL MEETINGS AND CONFERENCE JULY 2009 THROUGH JUNE 2010

1. Universal Service Administrative Company (Washington, DC) July 26-29, 2009;
January 25-27, 2010; April 25-28, 2010
Wayne Jortner
2. Independent System Operator – New England – Meeting (Westborough, MA)
July 29, 2009; October 19, 2009; (Boston, MA) December 12, 2009;
(Springfield, MA) May 5-6, 2010
Agnes Gormley
3. Federal Energy Regulatory Commission (Washington, DC) September 10-11, 2009;
September 16-17, 2009; December 14-15, 2009; January 6-8, 2010
William C. Black
4. National Association of State Utility Consumer Advocates – Annual Conference
(Chicago, IL) November 15-18, 2010
Agnes Gormley
5. Unitil meeting (Hampton, NH) February 9, 2010
Wayne Jortner
6. National Association of State Utility Consumer Advocates – Mid-Year Meeting
(San Francisco, CA) June 12-16, 2010
Eric Bryant & Patty Moody-D'Angelo

124 th LEGISLATURE, 2 nd SESSION
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OPA position adopted: 15 75.0 %
OPA position rejected: 5 25.0 %
 Bills OPA testified on: 20 100.0 %

LD# Bill Title

- 0543 An Act Concerning the Allocation of Power Generated by GNE, LLC**
 Sponsor: Clark (Millinocket)
Description: allocation of hydropower
 OPA position: support Committee action: **OTP-Am P&SL Ch. 40**
- 1350 An Act to Establish the Maine Transmission Mitigation Trust Fund**
 Sponsor: Martin, J.L.
 OPA position: oppose Committee action: **ONTP**
- 1430 An Act to Ensure Electric Capacity to Serve Maine Customers**
 Sponsor: Bowman
 OPA position: support Committee action: **ONTP**
- 1504 An Act To Require that Expedited Wind Energy Development Projects Provide a Tangible Benefit to Maine Ratepayers in the Form of Discounts to Future Electrical Rates**
 Sponsor: Mills
Description: tangible benefits to Maine ratepayers
 OPA position: support Committee action: **OTPA PL Ch. 642**
- 1535 An Act To Create a Smart Grid Policy in the State**
 Sponsor: Hink
Description: establishes criteria and processes for smart grid development in Maine
 OPA position: support Committee action: **OTPA PL Ch. 539**
- 1556 Resolve, to Review Certification Requirements for Installation of Solar Energy Systems**
 Sponsor: Nelson
 OPA position: support Committee action: **OTPA PL Ch.152**
- 1578 An Act To Provide for Equitable Sharing by Service Providers of the Costs of the PUC and OPA (OPA)**
 Sponsor: Flaherty
Description: spread cost of PUC and OPA to all service providers
 OPA position: support Committee action: **OTPA Resolves Ch. 190**

- 1581 An Act Concerning Electricity Customers Whose Bills Increase as a Result of the Implementation of Energy Conservation or Energy Efficiency Measures (OPA)**
 Sponsor: Fitts
Description: assures "best rate option" to certain commercial customers
 OPA position: support Committee action: **OTPA** **Resolves Ch. 179**
- 1643 An Act To Facilitate the Involvement of the OPA in the FairPoint Communications Bankruptcy Case (Gov's Bill)**
 Sponsor: Hinck
Description: provides for a special assessment of \$100,000 to fund OPA in bankruptcy case
 OPA position: support Committee action: **OTP** **P&SL Ch.30**
- 1644 An Act to Require that a Utility Company Notify the Owner of Property Prior to Disconnecting Services**
 Sponsor: Pilon
Description: notify owners of rental property of disconnection of tenant
 OPA position: support Committee action: Made Resolve (w/LD 1695)
Resolves Ch. 168
- 1645 An Act To Streamline Collections for Consumer-owned Consolidated Water and Wastewater Utilities**
 Sponsor: Fitts
Description: Allows combined water/sewer utilities to disconnect water for non-payment of sewer
 OPA position: support Committee action: **OTPA** **PL. Ch. 541**
- 1646 An Act to Establish a Broadband Policy for Maine**
 Sponsor: Flaherty
Description: refines state policy
 OPA position: nf/na Committee action: **OTPA** **PL. Ch. 586**
- 1647 An Act to Enhance Maine's Clean Energy Opportunities**
 Sponsor: Berry
 OPA position: support Committee action: **OTPA** **PL. Ch. 518**
- 1660 An Act to Reallocate Funds for a Position at the PUC**
 Sponsor: Hobbins
Description: funds a staff accountant position
 OPA position: support Committee action: **ONTP**
- 1661 An Act to Create a Position at the Public Utilities Commission**
 Sponsor: Hobbins
Description: recreate a position inadvertently moves to Efficiency Maine Trust
 OPA position: support Committee action: **ONTP**
- 1682 An Act to Amend the Electric Utility Industry Laws as They Relate to Renewable Resources**
 Sponsor: Bartlett
Description: clarifies which renewable resources subject to 100MW capacity limit
 OPA position: support Committee action: **OTPA** **PL. Ch. 542**

1695 An Act to Direct the PUC to Adopt Rules to Improve the Safety of Multiunit Rental Dwellings

Sponsor: Adams

Description: *notify owners of rental property of disconnection of tenant*

OPA position: support Committee action: Made Resolve (w/LD 1644)

OTPA Resolves Ch. 168

1762 An Act to Provide Incentives for Energy Conservation through Voltage Regulation

Sponsor: Simpson

Description: *provides guaranteed rate of return for voltage regulation technologies*

OPA position: nf/na Committee action: **OTPA Resolves Ch. 169**

1778 An Act To Enable the Installation of Broadband Infrastructure

Sponsor: Dill

OPA position: support Committee action: **OTPA PL. Ch. 612**

1786 An Act Regarding Energy Infrastructure Development

Sponsor: UTE Committee bill

OPA position: support Committee action: **OTPA PL. Ch. 655**

PUBLIC ADVOCATE STAFF TIME
BY UTILITY CATEGORY AND PROJECT: FY 10

A. ELECTRICITY			100.00%	4695	51.72%
1. Federal		587.5	12.51%		
ISO/NE	437.5				
FERC	53				
NERC	9				
NASUCA	88				
2. State		4002.5	85.25%		
COALITION	2				
GOVERNOR'S INITIATIVE	101				
LEGISLATURE/ HEARINGS	455				
POLICY	46.5				
PUC	1439.5				
COMPLAINTS	75				
BHE TRANSMISSIO N	92				
CMP TRASNMISSIO N	1710				
MPS TRANSMISSIO N	24				
OTHER TRANSMISSIO N	57.5				
3. Other		105	2.24%		
NEWSLETTERS	67				
PUBLIC SPEAKING	6				
ADMIN.	32				
B. FERRY			100.00%	20.5	0.23%
1. State		20.5	100.00%		
PUC	15				
POLICY	4				
COMPLAINTS	1				
LEGISLATURE/ HEARINGS	0.5				

C. TELEPHONE			100.00%	3327.5	36.65%
1. Federal		340	10.22%		
FCC	248.5				
NASUCA	90.5				
CONGRESS	1				
2. State		2462.5	74.00%		
PUC	1463.5				
GOVERNOR'S INITIATIVE	6.5				
POLICY	125				
LEGISLATURE/ HEARINGS	180.5				
COMPLAINTS	687				
3. Other		525	15.78%		
PUBLIC SPEAKING	48.5				
TELEPHONE GROUPS	54				
TRAINING	15.5				
NEWSLETTERS	390				
ADMIN.	17				
D. WATER			100.00%	688	7.58%
1. State		647	94.04%		
POLICY	45.5				
GOVERNOR'S INITIATIVE	12.5				
COMPLAINTS	12.5				
PUC	576.5				
2. Other		41	5.96%		
ADMIN.	32				
PUBLIC SPEAKING	9				
E. NATURAL GAS			100.00%	346.5	3.82%
1. Federal		126.5	36.51%		
FERC	126.5				
2. State		200.5	57.86%		
POLICY	15				
GOVERNOR'S INITIATIVE	4				
PUC	181.5				
3. Other		19.5	5.63%		
ADMIN.	19.5				
TOTAL	9077.5	9077.5			100.00%

