



STATE OF MAINE
PUBLIC UTILITIES COMMISSION

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February 6, 2019

Via Email

Mr. Douglas Herling, President and CEO
Central Maine Power Company
83 Edison Drive
Augusta, Maine 04430

Dear Mr. Herling:

I have reviewed your recent letter sent to Central Maine Power Company (CMP or Company) customers regarding the Liberty Audit and the challenges the Company has faced after the implementation of SmartCare. I appreciate your recognition of the existence and seriousness of the Company's customer service problems. However, over recent months, I have grown increasingly concerned about: 1) the number of new and existing customers that are not receiving monthly bills; 2) Arrearage Management Program (AMP) participants not being properly referred to the Efficiency Maine Trust (EMT); as well as 3) the Company's continued slow response to customer complaints. While the breadth of the Company's billing and customer relations problems may extend beyond these three issues, the Company should be able to address these three issues immediately.

First, the Company has failed to issue bills to thousands of new and existing customers since SmartCare's implementation on November 1, 2017, and apparently has not entered thousands of new customers into the Company's customer information system. This failure to issue monthly bills to your customers is a direct violation of the Commission's rules. Commission Rule Chapter 815, § 8(A) states: "A utility shall bill on a regular recurring basis and must offer at least one *monthly* billing option." (emphasis added). Similarly, Chapter 815, § 8(L) states: "A utility must obtain an actual meter reading *every month ...*," with some rare and specific exceptions (emphasis added). Further, there was a significant increase in the number of customers not receiving a bill in December 2018. After a full year of working with the new SmartCare system, the number of customers not receiving bills should be decreasing, not increasing.

Second, CMP has not been referring AMP participants to the EMT as required by Commission rules. Section 4(F) of Chapter 317 requires utilities "...to provide the Standard Intake Form or the information required by the form to the EMT by a mutually agreed upon method so that the EMT may complete the [Electricity] Usage Assessment upon the enrollment of an Eligible Customer, as well as the analysis following the implementation of recommended energy savings measures." It is my understanding based on discussions with the EMT that CMP has not been providing EMT with the Standard Intake Form for AMP enrollees since November 1, 2017 and currently has approximately 300 backlogged forms waiting to be processed. Further, some of these forms are for participants that enrolled in the AMP a year or more ago. This means that the vast majority of AMP participants that enrolled after November

1, 2017 have not received an Electricity Usage Assessment from the EMT and consequently have not benefitted from any of the programs offered by the EMT.

Third, the time it has taken the Company to address customer complaints, or contact customers who have complained, is clearly insufficient. As you are aware, CMP created a specialized team (Team) in February 2018 to resolve customer complaints of high usage referred by the Commission's Consumer Assistance and Safety Division (CASD). Initially, CMP agreed that the Team would contact each customer within two business days of the referral by the CASD. Due to the large number of customers being referred, the contact period was extended to two weeks at CMP's request. Since the inception of the Team, CMP has not contacted customers within the agreed-upon two-week period. In my September 21, 2018 letter to you, I expressed concern regarding the Team's slow response to customer complaints and the resulting large backlog. In your October 5, 2018 response, you stated that the Company had increased resources dedicated to this effort and would scale the resources flexibly going forward to meet the fluctuating volume of inquiries referred. Despite this assurance, there has not been an obvious improvement in the Team's performance. As of today, information provided by CMP indicates that the Team has failed to reach and resolve over 1,000 customers referred to it by the CASD. Under section 13(B) of Chapter 815 of the Commission's rules, CMP is required, among other things, to have an adequate number of properly trained employees available to resolve disputes with applicants and customers. Further, section 13(D) of Chapter 815 requires CMP to investigate a customer or applicant's dispute and to attempt in good faith to resolve the dispute.

As you are aware, under Title 35-A of the Maine Revised Statutes, the Commission may take certain actions, including imposing sanctions, when a utility is in violation of a Commission statute, order, or rule. Among these actions are the following, which are not exhaustive:

- A. The ability to impose administrative penalties of up to \$500,000 for any related series of events that are in violation of law or Commission rule or order. 35-A M.R.S. § 1508-A(1)(A)–(B).
- B. The ability to hold a utility in contempt for “fail[ure] to comply with an order, decision, rule, direction, demand or requirement of the commission or of a commissioner ...” 35-A M.R.S. § 1502.
- C. The ability to “require disgorgement of profits or revenues realized as a result of a violation” of Title 35-A or Commission rule or order. 35-A M.R.S. § 1508-A(1)(D).

I strongly urge CMP to take action, without any further delay, to remedy the problems of (1) new and existing customers not receiving bills, (2) AMP participants not being properly referred to the EMT, and (3) customer complaints not being resolved in a timely manner. Failure to resolve these issues in an expeditious manner may result in the Commission taking enforcement action under one or more of the statutory provisions cited above. I believe that such action would not preclude any party or the Commission Staff from recommending remedies in the current rate investigation and would be independent of any such remedies ultimately ordered by the Commission in that case.

Sincerely,

A handwritten signature in cursive script, appearing to read "Derek D. Davidson".

Derek D. Davidson, Director
Consumer Assistance and Safety Division

cc: Robert Kump, President and CEO, Avangrid Networks
Richard Hevey, Senior Counsel, Avangrid
Kenneth Farber, Senior Counsel, Avangrid
Notification List in Docket No. 2018-00194
Notification List in Docket No. 2019-00015