

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

Docket No. 2016-00105

June 14, 2016

PUBLIC UTILITIES COMMISSION  
Inquiry into Electricity and Natural  
Gas Bill Unbundling

NOTICE OF INQUIRY

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VANNOY, Chairman, McLEAN and WILLIAMSON Commissioners

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## **I. SUMMARY**

The Commission initiates this Inquiry to receive comment and consider whether and to what extent electricity and natural gas utility bills should be further unbundled and, if so, which components should be separately stated.

## **II. BACKGROUND**

In advance of retail access, electric utilities were required by Commission rule to unbundle customer bills such that supply charges were stated separately. Chapter 309. See Order Adopting Rule, Docket No. 98-306 (June 30, 1998). The purpose of this unbundling was to provide customers with an illustration of the effects of restructuring, and to prepare them for the change. Chapter 309 expired on March 1, 2000 when retail access began.

Chapter 815 of the Commission's rules currently governs the content and format of utility bills. With respect to bill unbundling, Chapter 815 states:

A utility may not separately list line items on the bill that do not represent a separate, discrete utility service or a State or Federal Tax." Ch. 815, § 8(C)(6).

On March 26, 2015, Emera Maine filed a request for approval of several waivers of Commission rules, including Chapter 815, § 8(C)(6), related to its transition to a new billing system. In particular, the new billing system was designed to separately state certain components of rates that had previously not been unbundled. In its Order granting Emera Maine's request, the Commission found that the above-noted provision of Chapter 815 was put into effect primarily to prevent customer confusion and, based on the limited customer reaction to the new Emera Maine bill format, the potential for confusion by unbundling charges may no longer exist. The Commission further noted that it may initiate an Inquiry to consider unbundling various components of electric bills. Order, Docket 2015-00078 (Dec. 16, 2016). Based on similarities with respect to these issues, in this Inquiry the Commission will also examine unbundling for natural gas bills.

### **III. DESCRIPTION OF CURRENT PRICE STRUCTURES AND BILL FORMATS**

Electricity prices are comprised of two general components: delivery and supply. Delivery service is provided by regulated transmission and distribution utilities (T&D utilities), and supply service is provided by Competitive Electricity Providers (CEPs), either through individual customer arrangements or standard offer service. Within these general components there are several sub-components. For example, delivery service includes distribution, transmission, stranded costs, as well as charges for energy efficiency programs, the low-income program, and regulatory assessments. Supply service includes the applicable components of wholesale market prices (energy, capacity and ancillary services), costs associated with environmental policies (RPS and RGGI), as well as various other items.

Prior to the recent change described above for Emera Maine, electricity bills issued by T&D utilities generally presented T&D and supply charges separately, but did not itemize them into any of their sub-components.

Natural gas prices are also comprised of delivery and supply components. As with electricity, natural gas delivery service is provided by regulated local distribution companies (LDC). For commercial and industrial customers, supply service can be provided either by an LDC or by a retail supplier/marketer (Marketer). For residential customers, supply service is provided by the LDC.

### **IV. REQUEST FOR COMMENT**

The Commission requests comment in the following areas.

1. What components of electricity and natural gas delivery rates should be itemized on customer bills? Please explain the objective for itemizing each such item.
2. What components of electricity and natural gas supply prices should be itemized on customer bills? Please explain the objective for itemizing each such item.
3. With respect to supply, how should the charges for any unbundled item be determined? Should the charges be determined by the utility or the CEP/Marketer?
4. Should any unbundling requirements apply to bills issued by CEPs or Marketers?
5. Should the degree of bill unbundling vary by customer type, e.g., residential vs. industrial? If so, please explain how and why.
6. Should unbundling be limited to items for which the charge can be precisely calculated, e.g., electric transmission rates, or should it extend to estimated or



**NOTICE OF RIGHTS TO REVIEW OR APPEAL**

5 M.R.S. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 11(D) of the Commission's Rules of Practice and Procedure (65-407 C.M.R.ch. 110) within **20** days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought. Any petition not granted within **20** days from the date of filing is denied.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within **21** days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.