

**STATE OF MAINE**  
**PUBLIC UTILITIES COMMISSION**

**CENTRAL MAINE POWER**

**RE: Request for Approval of Annual  
Compliance Filing**

**Docket No. 2023-00038**

**THE OFFICE OF THE PUBLIC  
ADVOCATE'S RESPONSE TO MAY  
31 PROCEDURAL ORDER**

**June 2, 2023**

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The Office of the Public Advocate (the OPA) files these comments in response to the Hearing Examiners' May 31 Procedural Order. The Procedural Order directs the OPA to address "the scope of the storm costs that it proposes to omit from a possible settlement in this docket, and to include an offer of proof regarding the testimony it would like to provide."

The OPA addresses these issues below.

**Scope of Storm Costs**

CMP's May 23 filing includes incremental storm costs of more than \$117 million related to storms in 2022.<sup>1</sup> The OPA is unwilling to stipulate that any specific storm costs are prudent at this point in the proceeding.<sup>2</sup> As explained in more detail below, the OPA will show that CMP regularly hires an excessive number of external contractor crews for storm restoration, including for relatively minor storms. As shown in ODR-001-001 Attachment 1, the Company experienced 23 storms in 2022 and for all but one of these storms, the Company incurred incremental external crew costs, ranging in magnitude from \$144,000 to over \$53

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<sup>1</sup> 5/23/23 CMP Filing, Master Exhibit 2, Att 2 2022 Storm Summary p1.

<sup>2</sup> The OPA has a right to a hearing on these costs under Chapter 110 § 10(A)(1) and 5 M.R.S. § 9056.

million per event.<sup>3</sup> Given that the issues raised by the OPA do not appear to be isolated to a specific “Tier” classification of storms, the OPA requests that all incremental storm costs be the subject of an ongoing prudence investigation in this docket.

Nevertheless, because the Company is proposing to amortize storm costs over two years, the OPA proposes that the parties explore a settlement that would allow rates to take effect on July 1, 2023 that include a portion of CMP’s proposed incremental storm costs but preserve the issue of whether the incremental storm costs were prudently incurred. Any disallowance in storm costs that results from the prudence investigation can then be addressed by adjusting the remaining unrecovered 2022 incremental storm cost amount in the Company’s next Annual Compliance Filing proceeding. The OPA suggests that the details of how the incremental storm costs are recovered in rates be addressed in settlement negotiations.

### **Offer of Proof**

The OPA intends to offer testimony to quantify its proposed disallowance of incremental storm costs. The OPA will show through testimony, legal argument, and evidence provided by CMP in discovery that a disallowance is warranted for the following reasons:

- 1) CMP’s incremental storm costs include affiliate charges that are precluded by the Company’s cap on affiliate charges;
- 2) CMP’s incremental storm costs include affiliate charges pursuant to a contract or arrangement that was not approved by the Commission as required by 35-A M.R.S. § 707;
- 3) CMP regularly and imprudently exceeds the recommendations for external staffing contained in its Emergency Response Plan approved by the Commission;

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<sup>3</sup> ODR-001-001 Attachment 1, Column M.

- 4) CMP imprudently retained excessive external contractors for minor storm events or at times during larger events when it was unnecessary to do so;
- 5) CMP has failed to meet its burden to show that the incremental storm costs included in its filing were prudently incurred where it has failed to produce contracts with the majority of the external contractors it hired to work on its system;
- 6) CMP has failed to meet its burden to show the incremental storm costs included in its filing were prudently incurred because it has failed to preserve relevant evidence related to its storm response;
- 7) CMP's external contractor storm costs are excessive and imprudent because CMP could significantly reduce incremental storm costs and overall costs by hiring additional internal line crews; and
- 8) CMP's incremental storm costs are excessive and imprudent because CMP hired expensive, out-of-state external contractors with no showing that alternative resources were unavailable.

Because CMP is still responding to discovery and the OPA is still reviewing the voluminous storm cost invoices already provided, the OPA reserves the right to make additional arguments or offer additional areas of testimony as part of the prudence investigation.

Respectfully submitted,

*/s/ Andrew Landry*

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*/s/ Brian T. Marshall*

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