

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2022-00244

June 22, 2023

CENTRAL MAINE POWER COMPANY
Request for Approval Regarding Section
1 Rebuild Pursuant to
35-A M.R.S. § 3132-A

ORDER APPROVING
STIPULATION

BARTLETT, Chair; SCULLY and GILBERT, Commissioners

I. SUMMARY

By this Order, the Commission approves the June 12, 2023, Stipulation executed by Central Maine Power Company (CMP) and the Maine Office of Public Advocate (OPA) (collectively referred to as the Stipulating Parties).¹

II. BACKGROUND

Section II, Background, is provided in Attachment A.

III. DESCRIPTION OF THE STIPULATION

Based upon the record in this case, the Stipulating Parties agree and recommend that the Commission conclude this proceeding by issuing an order that approves, accepts, and adopts the Stipulation. The major provisions of the Stipulation are as follows:

- A. The Stipulating Parties recognize that short-term and long-term reliability needs exist along the Section 1 corridor serving the Augusta and Waterville-Winslow planning areas;²

¹ Todd Violette, an intervenor, expressed support for the Stipulation via a June 6, 2023, email to Staff and the Stipulating Parties. Stipulation Attachment 1.

² Section 1 is a 34.5 kilovolt (kV), 23-mile, transmission line spanning the Augusta and Waterville-Winslow areas. Section 1 provides peak load of approximately 16 megawatts (MW) to over 8,000 customers and was identified through CMP's asset management and structural analysis as having significant structural and reliability concerns.

Commission approval is required for transmission projects capable of operating below 69 kV and projected to cost in excess of \$5 million. 35-A M.R.S. § 3132-A. A person proposing a transmission project must provide the Commission with a description of the need for the proposed transmission project. 35-A M.R.S. § 3132-A(1). In considering whether to approve or disapprove all or portion of a proposed transmission project by an investor-owned transmission and distribution (T&D) utility, the Commission

- B. The Stipulating Parties agree that sufficient need exists to support rebuild of all three Segments of the proposed Section 1 rebuild;
- C. The rebuild of all three Segments will be performed utilizing steel poles and tree wire;
- D. The Stipulating Parties approve CMP's work rebuilding from Augusta East Side substation to structure 230, approximately 1-mile past McCoy's substation, for an estimated cost of \$36,155,080 (+50/-25%), otherwise known as Segments 2 and 3;
- E. For the remaining Segment 1 Rebuild, CMP will, over the course of the next six months, evaluate re-routing the line along the Section 40 right-of-way thereby reducing the line length by two miles and potentially reducing the cost of the rebuild. Upon conclusion of CMP's review, comparing the current route of Section 1 to utilizing the Section 40 right-of-way, CMP will file a letter in this Docket explaining its findings, indicating possible cost savings, and proposing the route for Segment 1;
- F. CMP will conclude its detailed design of the Segment 1 route and file that in this Docket at least four months prior to completion of construction work on Segments 2 and 3 to allow the Commission to decide the final route for Segment 1 and allow construction of Segment 1 to occur in conjunction with construction work on Segments 2 and 3 without incurring additional costs associated with redeploying construction crews etc.;
- G. Upon issuance of a Commission Procedural Order, CMP will notify any newly impacted land abutters (if there are any) and the Stipulating Parties will allow for time for newly impacted land abutters to intervene in the Docket;
- H. The Commission will then review the proposed route for Segment 1 for approval consistent with 35-A M.R.S. § 3132-A. Efforts will be made by all Stipulating Parties to reasonably expedite review and utilize information already provided in this Docket; and
- I. The Stipulating Parties also agree that any costs incurred by CMP in the development of the Section 1 rebuild have been prudently incurred, should be recoverable in CMP transmission rates and the parties will not dispute such cost recovery by CMP. This provision is not intended to limit the Commission's

is required to consider the results and recommendations of an investigation undertaken by the Nonwires Alternatives (NWA) Coordinator and the Commission must consider whether the identified need over the effective life of the proposed project can be reliably and more cost-effectively met using a NWA. *Id.* § 3132-A(1-A) & (2). The NWA Coordinator determined that a cost-effective NWA for the proposed Section 1 rebuild does not exist and recommended that CMP move forward with its proposed wires solution. OPA Filing (Sept. 14, 2022).

ability to review any aspect of the prudence of the Section 1 rebuild, or to raise such issues in another forum such as the Federal Energy Regulatory Commission.

IV. **DECISION**

A. Standard of Review

To approve a Stipulation, the Commission must consider the following criteria:

1. Whether the parties joining the stipulation represent a sufficiently broad spectrum of interests that the Commission can be sure that there is no appearance or reality of disenfranchisement;
2. Whether the process that led to the stipulation was fair to all parties;
3. Whether the stipulated result is reasonable and is not contrary to legislative mandate; and
4. Whether the overall stipulated result is in the public interest.

Chapter 110 § 8(D)(7). For the reasons set forth below, the Commission finds that all the criteria for approval have been satisfied in this instance.

B. Broad Spectrum of Interests

The Stipulation was signed by, or otherwise supported, by all parties in the case: CMP and the OPA executed the Stipulation. Mr. Violette expressed his support for the Stipulation in a June 6, 2023, email. Stipulation Attachment 1. In the past, the Commission has held that as few as two parties, with differing views and interests, represent a sufficiently broad spectrum of ratemaking interests. *See, e.g., Mid Maine Telecom LLC, Pine Tree Telephone, LLC, Saco River Telephone, LLC, Request for Reorganization*, Docket No. 2020-00268, Order Approving Stipulation (March 16, 2021) (approving a stipulation signed by only the petitioning utility and the OPA). The Commission finds that the signatories represent a sufficiently broad spectrum of interests and satisfies the first criterion for approval.

C. Fairness of Process

Based on the record, the Commission finds that the process that led to the Stipulation was fair to all parties. The Commission's Rules provide that all parties shall be given an opportunity to participate in stipulation discussions. MPUC Rules Ch. 110 § 8(D)(1). The May 26 and June 6 settlement conferences were noticed in procedural orders and all parties were invited to attend. No party objected to the participation of Staff in settlement discussions. The Commission finds that this process was fair to all parties and conforms with Commission rules.

D. Whether the Stipulated Result is Reasonableness, Not Contrary to Legislative Mandate, and is in the Public Interest

Finally, the Commission finds that the Stipulation is reasonable, not contrary to legislative mandate, and is consistent with the public interest. The Stipulation represents the result of negotiations between the signatories, addresses the most immediate reliability needs³ in the area, and may result in savings to ratepayers compared to the originally proposed rebuild.

Accordingly, the Commission

O R D E R S

1. That, the Stipulation submitted in this matter on June 12, 2023, is approved. A copy of this Stipulation is attached and is incorporated into this Order.

Dated at Hallowell, Maine, this 22nd day of June 2023.

/s/ Harry Lanphear
Harry Lanphear
Administrative Director

COMMISSIONERS VOTING: Bartlett
 Scully
 Gilbert

³ As the Commission is considering a Stipulation, which does not have precedential value, the Commission does not need to decide here the issue of what the statutory standard of “need” under 35-A M.R.S. § 3132-A is, as opposed to “public need” under 35-A M.R.S. § 3132.

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S. § 9061 requires the Public Utilities Commission to give each party at the conclusion of an adjudicatory proceeding written notice of the party's rights to seek review of or to appeal the Commission's decision. The methods of review or appeal of Commission 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).

Pursuant to 5 M.R.S. § 8058 and 35-A M.R.S. § 1320(6), review of Commission Rules is subject to the jurisdiction of the Superior Court.

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.

BACKGROUND

On July 29, 2022, CMP filed a request for Commission approval of its proposed rebuild of Section 1, a 34.5 kV, 23-mile transmission line originally constructed in 1920 with 632 round wooden poles and 1.5 miles of distribution underbuild spanning the Augusta and Waterville-Winslow areas. According to the filing, CMP's Asset Management Screening Report indicated the line is in poor condition due to ratings of the poles, age of conductors, limited work clearances, and insulators that are prone to failure. CMP conducted a visual inspection, which found splitting and cracked poles and crossarms, leaning poles, damage from insects and birds, ground line damage, and clearance violations. The poles are characterized as having short transmission crossarms, insufficient vertical clearance, and ground conductor close to the transmission lines. According to the filing, the visual inspection also found that all the poles lack provision for static wire, which poses an increased risk for lightning related outages and increased maintenance of the line. To address the identified asset condition and reliability needs, CMP proposed a solution consisting of a full line rebuild with 477 Aluminum Conductor Steel Reinforced (ACSR) standard conductor size, new wood and steel poles, and new optical ground wire at a cost of \$57,900,000 (+50/-25%). Section 1 is a so-called local transmission line and does not qualify for regional cost sharing as a "Pool Transmission Facility." Thus, CMP ratepayers bear all of the costs associated with the rebuild.

For purposes of evaluating need across all of Section 1, the rebuild was sectionalized into three parts: Segments 1, 2, and 3. Segment 1 consists of the area from the Winslow 115 kV Substation to the McCoy's Substation, Segment 2 consists of the area from McCoy's Substation to Blair Road Substation, and Segment 3 consists of the area from Blair Road Substation to Augusta East Side Substation.

On August 19, 2022, the Commission issued a Notice of Proceeding (Notice), which set a deadline for a supplemental filing by CMP, the filing of the NWA Report, petitions to intervene and scheduled an initial case conference. The Notice also raised the issue of whether there were any potential interconnecting generators that may be affected by the Commission's decision to approve or not approve the requested rebuild that should be notified of this proceeding and given an opportunity to intervene. CMP represented that there were no distributed generation projects that would be adversely impacted by the proposed rebuild and the OPA similarly stated that it did not expect any negative impact on interconnecting generators. Finally, the Notice directed CMP to send a copy of the Notice and information regarding how to seek to intervene to municipalities in which the transmission project is located and to the landowners abutting the project. CMP sent the information to the towns of Augusta, Winslow and Vassalboro and 241 abutting landowners.

On September 14, 2022, the OPA filed its NWA Report, which determined that a cost-effective NWA for the proposed Section 1 rebuild does not exist and recommended that CMP move forward with its proposed wires solution.

On September 19, 2022, a public comment was filed by David Allen regarding CMP's proposed use of optical ground wire on his property. CMP subsequently contacted Mr. Allen to discuss this issue.

At the initial case conference held on September 22, 2022, timely petitions to intervene by the OPA and Todd Violette were granted.

Written discovery was conducted and technical conferences were held on November 3 and December 21, 2022, which included a presentation from CMP on its use of Power Line Systems-Computer Aided Design and Draft (PLS-CADD) modeling software to allow Staff and the parties to better understand how the software is used to assess the condition of the line.

On February 22, 2023, a conference of counsel was held to discuss whether CMP intended to seek to expand the scope of its proposed rebuild.

The Hearing Examiners issued a Procedural Order on March 1, 2023, directing CMP to file additional information regarding its proposal to expand the scope of the proposed rebuild including the increased use of steel poles and tree wire instead of bare ACSR conductor.

On March 7, 2023, CMP made the filing.

Another technical conference was held on March 30, 2023. During the technical conference Staff and parties asked questions of CMP, and the Hearing Examiners discussed next steps in the case with the parties.

On May 3, 2023, CMP and OPA filed briefs regarding the legal issue of what the term "need" means in the context of 35-A M.R.S. § 3132-A (versus "public need" as used in 35-A M.R.S. § 3132). CMP also addressed its use of the PLS-CADD modeling software to assess Section 1's rebuild need including the apparent discrepancy between the results of the inspection reports and the PLS-CADD findings.

On May 8, 2023, Mr. Violette filed a letter in the docket related to the proposed project. Settlement conferences were held on May 26 and June 6, 2023. The settlement conferences were noticed in the docket and all parties to the proceeding had the opportunity to participate in the settlement discussions with the option to participate in person or remotely. No party objected to Staff's participation in the settlement discussions.

CMP filed a Stipulation on June 12, 2023. The Stipulation was executed by CMP and OPA. Although he did not sign the Stipulation, through an email, Mr. Violette expressed his support for the Stipulation. Stipulation Attachment 1.