STATE OF MAINE PUBLIC UTILITIES COMMISSION Docket No. 2022-00244

June 12, 2023

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

Central Maine Power Company ("CMP" or the "Company") and the Maine Office of the Public Advocate (the "OPA"), each individually a "Party" and collectively the "Parties" to this proceeding, agree and stipulate as set forth below. Based upon the record in this case and having consulted with the Staff of the Maine Public Utilities Commission ("Commission"), the Parties agree, stipulate, and recommend that the Commission issue an order which approves, accepts and adopts this Stipulation and all provisions herein.

I. PURPOSE

- The purpose of this Stipulation is to achieve an agreed upon resolution of all issues in this CMP initiated docket seeking approval to rebuild Section 1.
- 2. To accept a stipulation, the Commission must find that: (a) 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; (b) the process that led to the stipulation was fair to all parties; (c) the stipulated result is reasonable and is not contrary to legislative mandate; and (d) the overall stipulated result is in the public interest.
- 3. The undersigned Parties believe that each of these factors is satisfied through this Stipulation. The settling Parties represent a broad spectrum of interests who participated in the negotiations relating to this Stipulation and have indicated that they will raise no objection to the terms of the stipulation. The settlement process that produced this

Stipulation was fair to all parties to the proceeding. The overall Stipulated result is reasonable, not contrary to legislative mandate; and in the public interest.

II. BACKGROUND

A. Procedural History

- 4. On July 29, 2022, CMP filed a Request for Approval Regarding Section 1 Rebuild (the "Request") requesting approval for upgrades needed for CMP's proposed Section 1 Rebuild Project (the "Project"). Section 1 is 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 planning areas. Section 1 provides peak load of approximately 16 MW to over 8,000 customers. Section 1 was identified through CMP's asset management and structural analysis as having significant structural and reliability concerns. To address the identified asset condition and reliability needs, CMP proposed a solution consisting of a full line rebuild with 477 ACSR standard conductor size, new wood and steel poles, and new optical ground wire at a cost of \$57,900,000 (+50/-25%).
- 5. 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 115kV 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 25, 2022, the Company mailed a copy of the Commission's August 8, 2022,
 Notice of Proceeding to all affected municipalities and abutting landowners.
- 7. On September 14, 2022, the Office of the Public Advocate ("OPA") filed its Non-Wires Alternative ("NWA") Status 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.
- 8. On November 3, 2022, a technical conference was held, followed by a case conference. As a result of those conferences the Commission issued a Procedural Order scheduling a technical conference for December 21, 2022, where CMP presented the 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.
- 9. After technical conferences and discovery, the MPUC issued a Procedural Order on March 13, 2023, scheduling a technical conference on March 30, 2023, to ask follow-up questions to CMP's March 7, 2023, filing regarding CMP's revised scope including the increased use of steel poles and tree wire instead of bare Aluminum Conductor Steel-Reinforced ("ACSR") conductor.
- 10. During the technical conference the Hearing Examiners discussed next steps in the case with the parties and noted that it would be helpful to have parties brief the issue of what the term "need" means in the context of 35-A M.R.S. § 3132-A. The Commission Staff also requested briefing on issues relating to CMP's use of the PLS-CADD modeling software to assess Section 1's rebuild need. The MPUC repeated their request in the Commission's March 31, 2023, Procedural Order directing CMP to brief the apparent discrepancy between the results of the inspection reports and the PLS-CADD findings and the issue of "need" under the Statute.
- 11. Briefs were filed by CMP and the OPA on May 3, 2023.
- 12. Simultaneously to the procedural schedule described above, CMP has continued to evaluate the route for Section 1 and available cost-saving alternatives. The Parties and the MPUC

Staff have discussed possible alternatives to CMP's original proposed rebuild as discussed further in this Settlement.

III. SETTLEMENT TERMS

- 13. The Parties to this Settlement recognize that short-term and long-term reliability needs exist along the Section 1 corridor serving the Augusta and Waterville-Winslow planning areas.
- 14. The Parties agree that sufficient need exists to support rebuild of all three Segments of the proposed Section 1 rebuild.
- 15. The rebuild of all three Segments would be performed utilizing steel poles and tree wire.
- 16. As part of this Settlement, the Parties approve CMP's work rebuilding from Augusta East Side substation to structure 230, approximately 1-mile past McCoy's substation, for estimated cost of \$36,155,080 (+50/-25%), otherwise known as Segment 2 and 3.
- 17. For the remaining Segment 1 Rebuild, CMP would over the course of the next six months, evaluate re-routing the line along the Section 40 right of way reducing the line length by 2 miles, in order to reduce costs 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.
- 18. 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.

- 19. Upon MPUC Procedural Order, CMP will notify any newly impacted land abutters (if there are any) and the Parties will allow for time for newly impacted land abutters to intervene in the Docket.
- 20. The MPUC shall then review the proposed route for Segment 1 for approval consistent with 35-A M.R.S.A. § 3132-A. Efforts will be made by all Stipulating Parties to reasonably expedite review and utilize information already provided in this Docket.
- 21. The 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 ability to review any aspect of the prudency of the Section 1 rebuild, or to raise such in another forum such as the Federal Energy Regulatory Commission.

IV. ADDITIONAL PROVISIONS

- 22. The execution of this Stipulation by any Party shall not constitute precedent as to any matter of law or fact nor, except as expressly provided herein, nor will it foreclose any of the Parties from making any contention or exercising any right, including rights of appeal, in any other Commission proceeding or investigation, or any other trial or action.
- 23. The Parties intend that this Stipulation be considered by the Commission for adoption as an integrated solution to the issues addressed herein, which arose in the above-captioned proceeding and as otherwise presented in this Stipulation. The Parties also intend that this Stipulation shall be null and void, and not bind the Parties in the above-captioned proceeding, in the event the Commission does not adopt this Stipulation without material modification.

- 24. If not accepted by the Commission in accordance with the provisions hereof, this

 Stipulation shall not prejudice the positions taken by any Party on these issues before the

 Commission in this proceeding and shall not be admissible evidence therein or in any
 other proceeding before the Commission or in any other trial or action.
- 25. The Parties to this Stipulation agree that the record in support of this Stipulation includes:(a) this Stipulation and (b) any and all confidential or public materials contained in theCommission's Record of Docket No. 2022-00244 as of this date.
- 26. The Parties to this Stipulation hereby waive any rights that they have under 5 M.R.S. § 9062(4) and Chapter 110, Section 8(F)(4) of the Commission Rules of Practice and Procedure to the extent necessary to permit the Commission Staff to discuss this Stipulation and the resolution of the issues addressed in this Stipulation with the Commissioners, either before or at the Commission's scheduled deliberations, without providing to the Parties an Examiner's Report or the opportunity to file Exceptions.
- 27. All Attachments referred to in this Stipulation are incorporated herein by reference and are intended to be considered as part of this Stipulation as if their terms were fully set forth in the body of this Stipulation.

IN WITNESS WHEREOF, the Parties have caused this Stipulation to be executed by their respective attorneys or representatives or have caused their lack of objection to be noted by the signature of their respective attorneys or representatives.

For the Office of the Public

Advocate

Andrew Landry

Deputy Public Advocate

For Central Maine Power Company

s/s Katherine McDonough

Katherine McDonough Counsel for CMP