

Maine Public Utilities Commission



EUT Committee Orientation

January 23, 2025

Natural Gas Utilities

Commission's Regulatory Oversight

What We Regulate



Rates and Terms of Local Delivery
Service Provides by Natural Gas
Utilities

What We Do Not Regulate



Propane



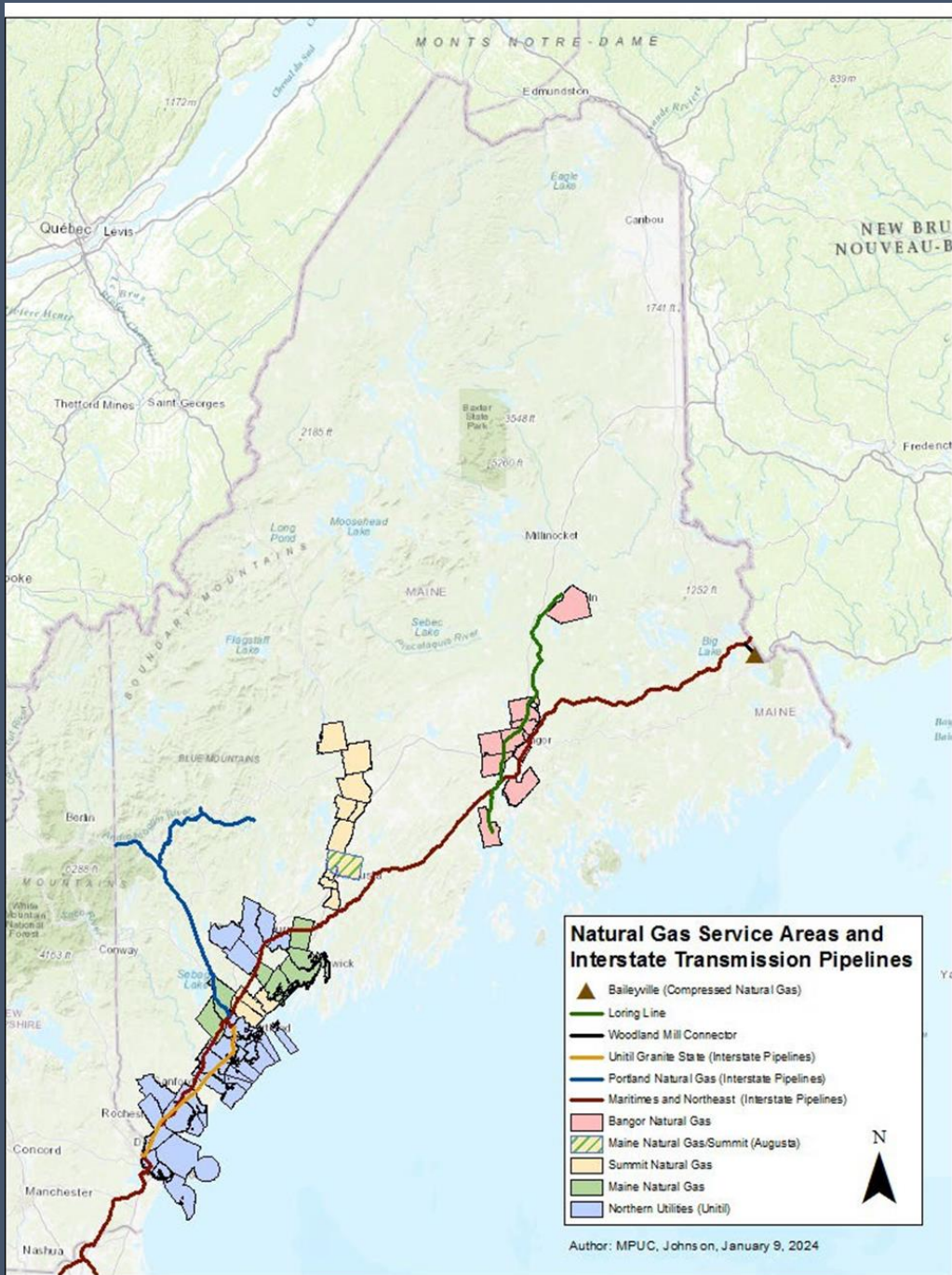
Fuel Oil



Gasoline

Natural Gas Service At A Glance

- Natural gas service in Maine is comprised of delivery and supply service.
- Local delivery service is provided by Maine local distribution companies (LDCs) at rates and terms regulated by the Commission.
- Prices for supply from the LDCs are set by Commission-approved cost-of-gas rates, which reflect the actual costs incurred by an LDC for natural gas as well as for upstream transportation and storage arrangements.
- The Commission also regulates sales, acquisitions or mergers among corporations owning LDCs doing business in the State.
- Interstate pipeline companies provide transportation of natural gas from supply producing regions, such as Canada and the Marcellus Shale, at rates and terms regulated by the FERC.
- In areas of the natural gas industry where federal agencies have jurisdiction over issues that affect Maine consumers, the Commission actively monitors federal proceedings and participates as warranted.
- Natural gas supply is provided to some customers by an LDC and for others by non-utility suppliers or marketers.
- Business customers have the option of purchasing their gas supply from a non-LDC supplier or marketer.
- The supply prices of non-utility suppliers and marketers are not regulated.



There are four natural gas LDCs authorized to provide service in Maine

- Northern Utilities, Inc. d/b/a Unittl (Northern) serves customers in the south-central Maine area, primarily in greater Portland/South Portland/Westbrook, greater Lewiston/Auburn, Biddeford/Saco and Kittery.
- Maine Natural Gas Corporation serves customers in the Windham, Gorham, Brunswick, Freeport, Bath, Topsham and Augusta areas.
- Bangor Gas Company, LLC serves customers in the greater Bangor area.
- Summit Natural Gas of Maine (SNG-Maine or Summit) serves customers in the Kennebec Valley area as well as in the municipalities of Yarmouth, Cumberland, and Falmouth.

There are three FERC jurisdictional interstate pipelines with facilities located in Maine:

- Maritimes & Northeast Pipeline;
- Portland Natural Gas Transmission System (PNGTS); and
- Granite State Gas Transmission, an affiliate of Northern.

Number Of LDC Customers (2013-2023)

Company	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Bangor Natural Gas	3,922	5,430	5,838	6,003	6,260	6,505	6,899	7,226	7,625	7,885	8,284
Maine Natural Gas	3,313	4,200	4,432	4,485	4,645	4,831	5,003	5,201	5,201	5,738	6,026
Summit Natural Gas	-	-	-	-	3,136	3,504	3,545	3,893	4,687	5,193	5,601
Northern Utilities	27,096	30,830	31,544	31,209	31,633	32,199	32,871	32,135	33,782	32,647	34,422
Total	34,331	40,460	41,814	41,697	45,674	47,039	48,318	48,455	51,295	51,463	54,333

Low-income Assistance

In 2024, Northern Utilities continued to provide a discount of 30% of total service charges to qualifying, low-income residential customers.

Maine Natural Gas, Summit Natural Gas and Bangor Gas continued to provide qualifying, low-income customers with a 28% discount on delivery charges (excluding the cost of gas).

Under the approved Northern Bangor Natural Gas merger, Bangor will provide a 30% discount for low-income residential customers.

Planned Gas Inquiry



- Uncertainty around how natural gas usage will change in response to the State's climate goals creates challenges for utility planning and our evaluation of the prudence of utility investments
- Commission has a statutory obligation to include impact of decisions on GHG emissions
- Commission has directed Staff to open an inquiry with goal of:
 - Developing a methodology to evaluate the GHG impact of long-term commitments or investments
 - Evaluating the consistency of investments with state goals
 - Assisting in evaluation of a broader path for the future of natural gas in Maine

Commission has Begun Incorporating GHG Emissions in Decision-Making

Acquisition of Portland Natural Gas Transmission System by Blackrock And Morgan Stanley (2024-00072)

Parties agreed to maintain or improve current safety and GHG emissions standards and practices, and to report to the commission on emissions levels for two years

Negotiated Resolution of Granite State Gas Transmission Rate Case

Granite agreed to maintain or improve current GHG emissions standards and practices

Bangor Gas/Unitil Merger Stipulation (2024-00174)

Companies agree to commitments related to the calculation, reporting, and mitigation of GHG emissions

Consumer Assistance and Safety Division (CASD)

At A Glance: The Consumer Assistance And Safety Division (CASD)



Conducts inspections and compliance audits of liquid propane and natural gas facilities



Determines if operators complied with design, construction, operating, and maintenance requirements



Enforces compliance with the Dig Safe rules



Provides information & assistance to utility customers



Handles complaints (service, billing, payment, rates, and other utility matters) to help customers resolve disputes



Issues decisions that may be reviewed by the Commission



Administers Low-Income Assistance Program (LIAP) & Arrearage Management Program (AMP)

CASD 1-800-452-4699 / To file a complaint online: <https://www.maine.gov/mpuc/consumer/contact/index.shtml>

Gas Safety

Commission's Role Relating To Gas Safety

The Commission regulates natural gas service reliability and ensures compliance with safety standards for:

- 1,456 miles of natural gas distribution mains;
- 84 miles of intra-state transmission pipelines (including the five-mile private pipeline operated by Woodland Pulp, LLC);
- 42,820 service lines; and
- Approximately 538 Liquid Propane Gas (LPG) distribution facilities that provide LPG service to multi-unit housing complexes, commercial buildings, and other facilities where LPG system failures would likely impact large numbers of people.



Commission's Authority

The Commission derives its authority for safety oversight from both state and federal laws.



Chapters 420 and 421 of the Commission's rules adopt federal safety regulations for pipelines that transport hazardous gases to protect the public and govern the safe operation of distribution and intrastate transmission facilities within the State.



The Commission is also a certified agent for Pipeline and Hazardous Material Safety Administration (PHMSA), working to ensure that intrastate natural gas transmission and distribution systems comply with federal pipeline safety standards and corresponding state regulations through operator inspections.



Additionally, the Commission investigates natural gas safety incidents and pursues enforcement actions for violations of the federal or state safety regulations.



PHMSA conducts annual evaluations of the pipeline safety programs for all states that have agency certification.



PHMSA's evaluation of the Commission's pipeline safety program during 2024 resulted in a score of 99%.



PHMSA also certifies the adequacy of Maine's Damage Prevention Program, which works closely with the gas safety staff and enforces the damage prevention law pertaining to violations of Chapter 895 of the Commission's rules, including those violations that involve natural gas pipelines.



State and Federal Pipeline Safety Inspectors are required to complete an extensive training program at PHMSA's Training and Qualification Center in Oklahoma City. One of the Commission's Gas Pipeline Safety Inspectors is an Associate Instructor in PHMSA's Welding and Welding Inspection Course.

Information Pertaining to the U.S. Department of Transportation's Pipeline and Hazardous Material Safety Administration (PHMSA)

Gas Safety by the Numbers: Inspections

- In 2024 the gas safety staff spent 241 inspection person days conducting inspections and compliance audits of LPG and natural gas facilities.
- Approximately 86.5 inspection days were devoted to LPG operations and 154.5 inspection days involved natural gas operations.



	Inspection Person Days*				
Inspection Type – Natural Gas	2020	2021	2022	2023	2024
Operating Procedures & Records	37.5	50.5	25.5	35.5	36
Construction & Related Records	74	53	71	63	55
Integrity Management Programs	10	6.5	3	1	13.5
Operator Qualification Programs	16.5	13	10.5	4	12
Accident or Incident Investigations	N/A	N/A	1	0	N/A
Damage Prevention	4.5	5.5	1	4	3
Public Awareness Programs	6	12	2	4	2
Drug & Alcohol Testing Programs	1.5	6.5	0	0	12
Compliance Follow-Up	32	23.5	29	23	14
Operator Training	2	6	0	5	1
Inspection Type - Propane					
Procedures, Facilities & Records	27	75.5	85	46.5	60
Operator Qualification Programs	3	**	2.5**	6**	1**
Accident or Incident Investigations	1.5	N/A	N/A	N/A	N/A
Integrity Management Programs	N/A	**	**	**	**
Damage Prevention	1	0.5	0	0	0
Compliance Follow-Up	15.5	3	5	30	20
Operator Training	3	10	6	9	4.5
# of Facilities Inspected (not Inspection Person Days)	94	88	129	167	121

* An “inspection person day” is defined by PHMSA as all or part of a day spent by pipeline safety staff in on-site evaluation of an operator’s system to determine compliance with Federal or State pipeline safety regulations; or in on-site investigation of a pipeline incident; or in training of an operator.

** Integrity Management and Operator Qualification inspections were also conducted in conjunction with inspections of the Operating and Maintenance Procedures and Records.

Gas Safety by the Numbers: Natural Gas and Propane Inspection Data

Cast Iron And Bare Steel Replacement Program



- In November, Northern Utilities completed a 14-year project to replace cast iron and bare steel facilities.
- The program, which was approved by the Commission in 2010, was approved to improve the safety and reliability of the system that serves the greater Portland area.
- This was the largest and most aggressive capital improvement project for a gas utility in Maine.
- The project involved replacing up to 126 miles of cast iron and unprotected steel pipes, some of which were more than 100 years old.
- The project included upgrades to 8,862 service lines and 16,945 meters and will reduce the number of gas leaks and methane emissions, while also enhancing system performance.

Underground Facility Damage Prevention and Enforcement (Dig Safe)



The Damage Prevention section of the CASD is charged with enforcing Maine’s underground facilities damage prevention law, called “the Dig Safe Law.”



This law is intended to prevent damage to underground utility facilities such as gas lines, water lines, or underground telecommunications and electric cables resulting from excavation.



Under the Dig Safe Law and the Commission’s rule implementing the law, Chapter 895, any person or company planning to excavate near underground facilities must follow certain safety procedures and must notify facility owners of the planned excavation.

“Dig Safe Law” (23 M.R.S. § 3360-A)

Notification Information

Most facility operators, such as large utilities, can be notified using the Dig Safe System.

Excavators can access the Dig Safe System online at www.digsafe.com, or by calling 1-800-DIGSAFE or 811.

Excavators must also notify facility operators who are not members of the Dig Safe System, such as municipalities and smaller utilities.

The Commission maintains the OKTODIG program, a database of non-member operators, to help excavators identify those operators. Excavators can access this program online at www.oktodig.com.

Utilities have an obligation to locate and mark their underground facilities in accordance with the Dig Safe Law so that excavators will be sufficiently aware of their location when they dig.

PHMSA Evaluation

In 2017, PHMSA began evaluating States' damage prevention programs to determine whether each State adequately enforces its damage prevention laws and regulations.

A finding of “inadequate” enforcement by PHMSA could result in PHMSA enforcement of Federal Damage Prevention standards in that state and the state losing a portion of its Gas Safety Program funding.

PHMSA completed its review of Maine's Damage Prevention Program in May of 2024 and for the sixth year in a row the Program received a perfect score.

Dig Safe by the Numbers: Summary Of Dig Safe Activities

Metric	2020	2020	2022	2023	2024
Reported Total Incidents	349	313	323	308	319
Reported Electric Incidents	47	58	75	52	60
Reported Gas Incidents	39	54	46	44	28
Reported Telecom Incidents	88	68	55	56	46
Reported Water Incidents	30	33	24	32	27
Reported Sewer Incidents	30	24	16	16	10
Reported CATV Incidents	36	45	70	67	117
Excavator Violations	74	81	75	61	58
Operator Violations	118	59	82	67	56
Penalties Assessed	\$245,000	\$188,500	\$245,000	\$200,500	\$207,000
Penalties Waived with Training	\$42,000	\$40,500	\$48,000	\$38,000	\$42,000
Penalties Not Waived	\$203,000	\$148,000	\$197,000	\$162,500	\$165,000

- The overall number of damage incidents experienced in 2024 increased 3.5% from 2023, with most incidents involving cable television facilities. These facilities experienced an almost two-fold increase in damage incidents in 2024 over 2023. This figure also includes some miscellaneous incidents which is why the subcategories do not add to the total.
- The Commission conducts an on-site investigation for each incident as soon as possible, in many cases on the same day, to determine the cause of the incident and to assess the risks to people and underground facilities. Based on this investigation, the Commission determines any appropriate response to the incident, such as training or the assessment of a financial penalty for the violator.

Public Awareness, Training And Education

- The Commission continues to strongly support and promote education and training to reduce and prevent damage incidents involving underground facilities and ensure the safety of residents and property located near those facilities.
- Chapter 895 allows the Commission to require an excavator or member operator who has violated the rule to attend an educational training program.
- The Commission also works with and financially supports training offered by the New England Committee of Managing Underground Safety Training (MUST), which includes Maine Dig Safe members, excavating contractors and underground facility location workers.
- The Commission also provides public education materials on its website as well as social and traditional media advertising to improve awareness among private property owners of the importance of preventing damage to underground facilities.
- The Commission also conducts its own training sessions, both at the Commission's offices as well as by request at excavator and operator locations. In 2024, the Commission completed 22 different training sessions that were attended by 964 people.

Consumer Assistance

CASD Overview – Consumer Assistance

The Consumer Assistance section of the CASD is the Commission's primary link with utility customers.

The CASD is charged with ensuring that consumers, utilities, and the public receive fair and equitable treatment through education, complaint resolution, and evaluation of utility compliance with consumer protection rules.

CASD's Mission

The CASD is charged with ensuring that consumers, utilities, and the public receive fair and equitable treatment through education, complaint resolution, and evaluation of utility compliance with consumer protection rules.

As part of its mission, the CASD is responsible for:

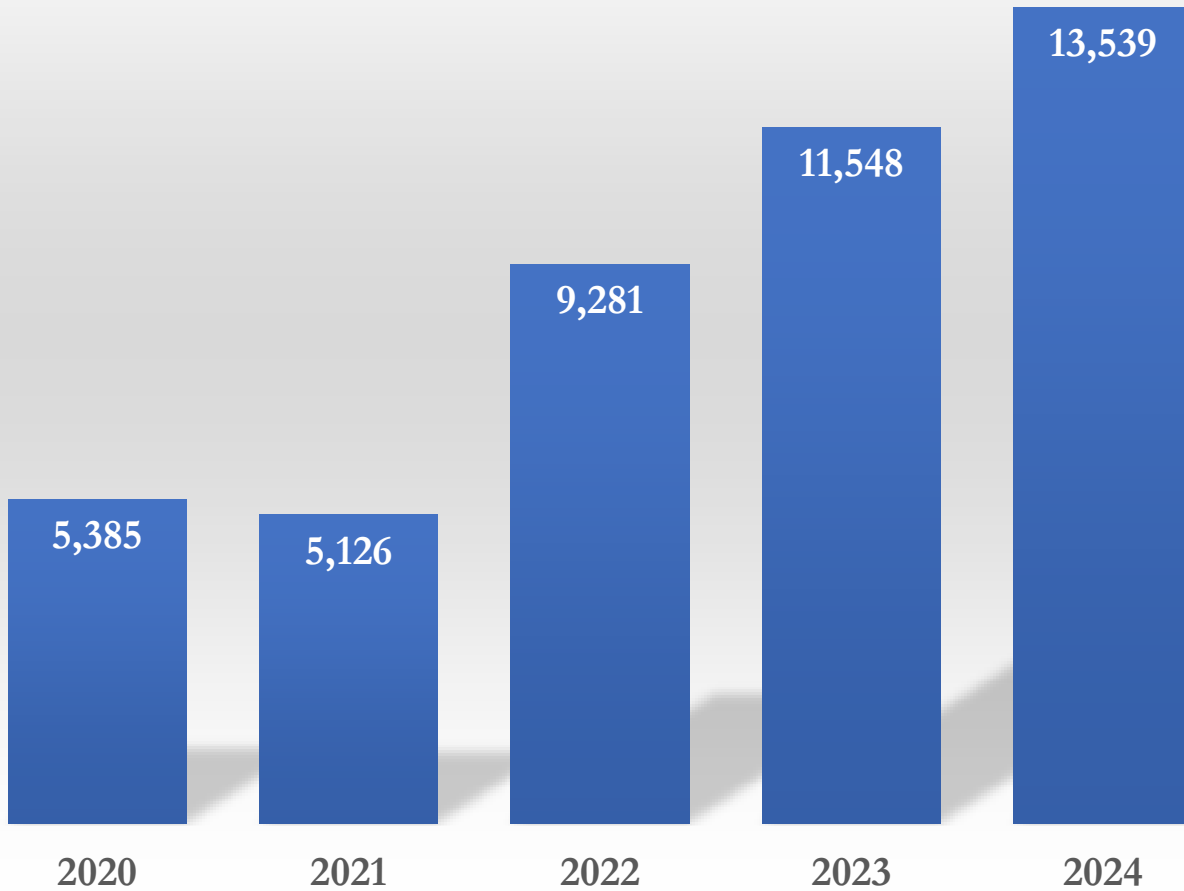
- Educating the public and utilities about consumer rights and responsibilities and other utility-related consumer issues;
- For investigating and resolving disputes between consumers and utilities; and
- For evaluating utility compliance with State statutes, Commission rules and the utility's Terms & Conditions for service.

The Commission uses information about consumer contacts with the CASD and other CASD data as a basis for enforcement actions, Commission investigations and in other Commission proceedings.

CASD Contacts Tracking

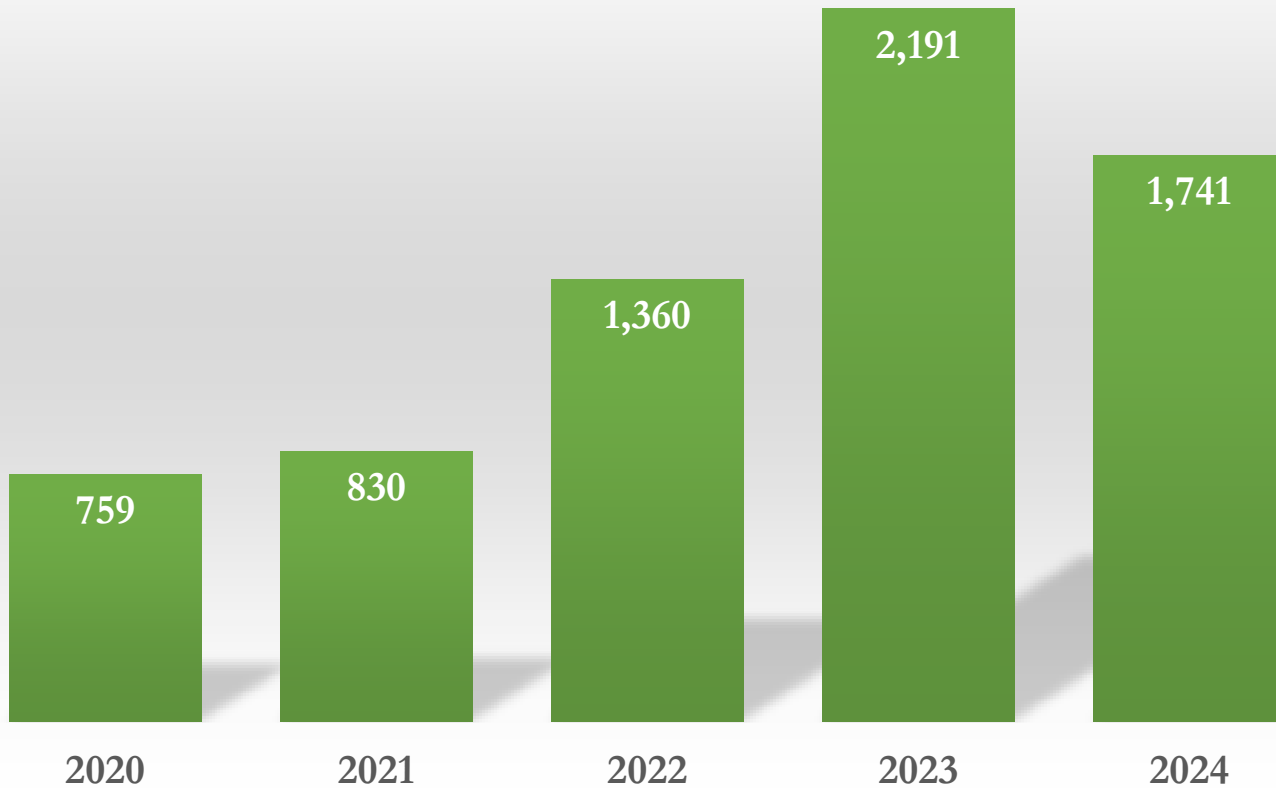
- The CASD tracks its contacts with both consumers and utilities, as detailed in the following 4 slides.
- Contacts take several forms, such as:
 - The general provision of information and assistance;
 - Investigation of a complaint involving a customer dispute with a utility that the parties have been unable to resolve;
 - Or processing utility requests for waivers of Commission rules.

CASD Contacts: 2020 - 2024



CASD By The Numbers: CASD Contacts

Consumer Complaints - 2020-2024

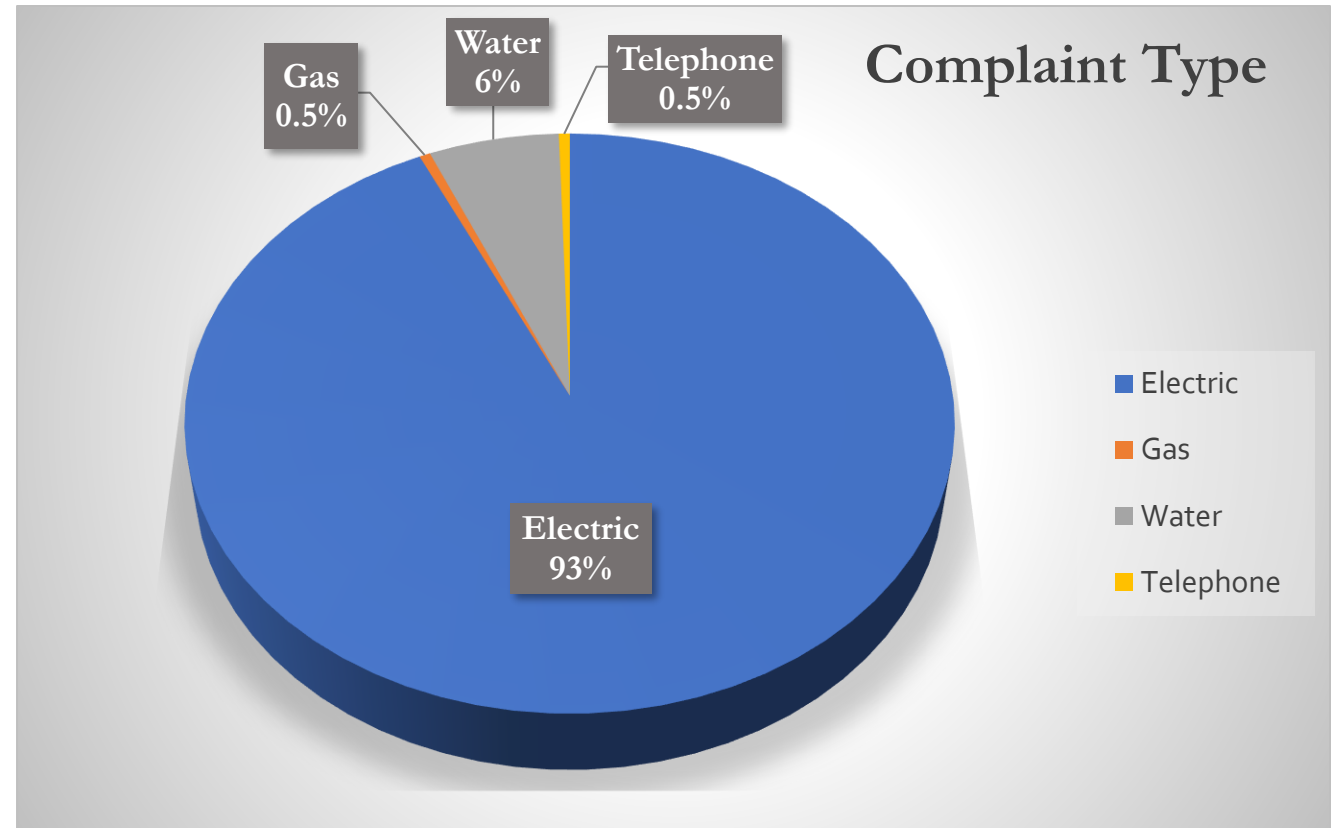


Of the 1,741 complaints filed in 2024, the Commission only received 24 requests for review (1.4%)

CASD By The Numbers: Consumer Complaints

CASD by the Numbers:

Complaint Type



CASD By The Numbers

Additional CASD Data

- **Refunds to Customers**
 - The CASD often obtains credits or refunds for customers as part of its resolution of customer complaints against utilities. In 2024, the CASD obtained **\$309,000** in refunds to customers.
- **Call Answer Time**
 - In 2024, the CASD received over 11,000 calls on its Consumer Hotline and answered 90% of all calls within 30 seconds. The average call-answer time was 13 seconds. This is a significant achievement given the increase in contacts and complaints.
- **Low Income Programs**
 - While it is not the primary role of the CASD to enroll customers in low-income programs, staff does have the capability to do so. In 2024, the CASD managed 3,103 LIAP enrollment requests by electric customers.



Assistance Programs

Assistance Programs

- **The Low-Income Assistance Program (LIAP)** helps qualified low-income electricity consumers pay for electricity costs. Eligibility for LIAP is based on eligibility for LIHEAP and/or participation in a DHHS means tested programs with a household income at or less than 150% of the Federal Poverty Guidelines. Those qualified will receive a credit on their electricity bill based on income and electricity usage.
- **Oxygen Pump and Ventilator Benefits** The Oxygen Pump and Ventilator Benefits provide financial assistance to low-income customers who, for health-related reasons, must use an oxygen pump or ventilator at least 8 hours each day. The benefit is intended to cover the full cost of operating an oxygen pump or ventilator and must not reduce benefits provided under existing LIAPs.
- **The Arrearage Management Program (AMP)** provides financial assistance and on-time bill payment incentives to eligible residential electricity consumers by establishing an affordable payment plan and providing a credit each month towards that customer's accumulated arrears, as long as that customer remains in compliance with the terms of the AMP.

	LIAP PROGRAM		OXYGEN PROGRAM		VENTILATOR PROGRAM	
Month	Number of Participants	Benefit Amount	Number of Participants	Benefit Amount	Number of Participants	Benefit Amount
Oct 2023	7,529	\$2,327,596	122	\$56,716	1	\$500
Nov 2023	13,230	\$1,691,278	244	\$65,458	-	-
Dec 2023	31,425	\$3,291,064	371	\$55,917	4	\$1,712
Jan 2024	34,536	\$3,565,175	756	\$56,190	3	\$469
Feb 2024	39,361	\$1,428,080	1,127	\$47,686	4	\$946
Mar 2024	43,910	\$1,410,269	1,461	\$30,219	4	-
Apr 2024	45,629	\$532,841	1,788	\$29,150	7	-
May 2024	46,531	\$301,596	2,136	\$44,949	7	-
June 2024	47,081	\$152,893	2,466	\$19,457	8	\$365
July 2024	47,096	\$175,653	2,789	\$61,438	4	-
Aug 2024	47,218	\$70,880	3,117	\$19,351	4	-
Sept 2024	47,413	\$9,258,366	3,437	\$35,298	4	\$319
Total		\$24,205,692		\$521,829		\$4,312

Program Statistics Based On Quarterly Reports From Electric Utilities

LIAP 2024-2025 Program Year - The Commission approved funding of **\$22.5 million** (this amount maintains the increase in program funding approved the previous program).

Eligibility - The Commission approved another temporary increase in the Federal Poverty Level (FPL) eligibility threshold for DHHS means-tested programs from 75 percent to **150 percent**, increasing program eligibility to an additional 46,000 Mainers.

Maintaining approximately \$1.3 million in unused program funding in the LIAP fund for future program years, due to the fact that the \$7.5 million contribution from the general fund is not expected to continue beyond the upcoming program year.

The Commission anticipates alternative sources of funding for the program in upcoming years when funding from the General Fund runs out, including expired credits from the Net Energy Billing Program, as well as NECEC funding (\$1.2 million annually). In 2024, CMP forwarded \$2,283,126 and Versant forwarded \$531,113 for a total amount of **\$2,814,239 forwarded to the LIAP** relating to monetized NEB credits.

LIAP Funding And Eligibility

Inquiry Regarding LIAP Docket No. 2024-00363



- The Commission initiated an inquiry on December 10, 2024, to explore ways to simplify and improve the program for electric utilities, participants and the Commission.
- The implementation of auto-enrollment is expected to increase program participation, perhaps significantly, which will likely decrease individual customer benefits.
- Under the current program design, some customers are receiving a larger benefit than they actually need.
- Seeking feedback from stakeholders on
 - A tiered discount rate program;
 - Other program designs; and
 - The Commission's current structure for assessment and apportionment of funds to and from utilities for the program.



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We look forward to serving as a resource during your legislative sessions in 2025 and 2026.