

MPUC ORDERS ELECTRIC UTILITIES TO ESTABLISH "BEST RATE OPTION" FOR COMMERCIAL ELECTRICITY CUSTOMERS

Augusta, Maine—Today the Maine Public Utilities Commission unanimously approved the use of a “best rate option” for electric utilities in order to ensure that the bills for the transmission and distribution of electricity for commercial electricity customers do not increase as a result of the reduction in their electricity use through conservation measures.

“Charging commercial customers more for good efforts at energy conservation doesn’t make sense and is inconsistent with Maine’s energy policy,” stated Commission Chair Sharon Reishus. “The Commission ordered the use of the best rate option because we want business customers to see their energy bills go down as an incentive to continue conserving energy at their facilities.”

Further, the Commission directed the three electric utilities, Bangor Hydro-Electric (BHE) which already uses some form of this option, Central Maine Power (CMP), and Maine Public Service (MPS) to participate in the development of customer eligibility requirements to settle several questions: whether or not customers must have installed energy efficiency measures to qualify for the best rate option; and, whether the new best rate option will be applied retroactively and if so, to what date.

The “best rate option” as ordered by the Commission will give the utilities’ commercial customers the option of staying in their original energy rate class –despite reductions in energy use which would otherwise precipitate their moving to a smaller rate class— and thereby get the “best” (lower) rate.

Background: There are three rate classes for commercial electricity customers—small, medium and large—based on the size of the customer and the voltage at which they connect in to the electricity network. Through Commission rate design process, electricity rates are set for different classes. The cost to the regulated utility of serving commercial customers varies and there are structural differences in design of the rates by class. The Commission’s November investigation and their order today address the situation in which a commercial customer on the smaller end of the “medium” class reduces its energy use through conservation measures such that it then falls into the “small” class, it is possible for it to get charged more for its energy use.

For more information, visit the virtual case file on the Commission’s website—www.maine.gov/mpuc – and look for the documents in the case under Docket Number 2009-397.