Energy Choice Matters

July 7, 2008

FERC Sets Hearing on MEPCO, NRI Lines

FERC has set trial-type evidentiary hearing procedures to determine the existence, nature and scope of Casco Bay Energy's alleged loss and congestion hedges over the Maine Electric Power Company (MEPCO) line, which need to be determined in order to complete the roll-in of the line into ISO New England pooled transmission facilities, the Commission ruled last week (ER07-1289).

The delay in converting the MEPCO line, formerly the only tie between the New England control area and eastern Canada, from a facility offering point-to-point service to a pooled facility has prevented ISO-NE from raising the transfer capability of the new Northeast Reliability Interconnection (NRI), which also now connects the New England control area and eastern Canada. NRI was built as a pooled facility and thus MEPCO needs to become a pooled facility so there is comparable treatment between the ties.

New Brunswick Power Transmission, the New Brunswick System Operator and Northern Maine Independent System Administrator had filed a complaint against the ISO for its refusal to boost transfer capabilities of the NRI line. The complainants argued the delay was preventing cheaper generation from accessing the northern Maine market via the NRI (Matters, 4/21/08).

The Commission found that ISO-NE's practice of limiting the transfer capabilities of the new Northeast Reliability Interconnection raises issues of material fact that cannot be resolved based on the current record and set the complaint (EL08-56) for hearing as well. Additionally, since the MEPCO and NRI proceedings are related, FERC consolidated the dockets.

Casco Bay executed a 25-year, 500-MW transmission service agreement (TSA) for firm point-to-point transmission service with MEPCO in 1999. The hearing is to determine the existence, nature and scope of any hedges possessed by Casco Bay under the TSA, and whether ISO-NE can accommodate grandfathering internal transmission customers when rolling MEPCO into the pooled

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CenterPoint Defends AMIN Plan as Beneficial to Competition

CenterPoint Energy's Advanced Meter Information Network (AMIN) program is not discriminatory because it provides all REPs with equal access to participate, and even offers smaller REPs the opportunity to take advantage of the networks that larger REPs are expected to establish, Paul Gastineau, director of rates and regulatory research for CenterPoint, argued in rebuttal testimony (35620, Matters, 6/30/08).

REPs have opposed AMIN as designed because Reliant Energy was involved in drafting the AMIN agreement before other REPs were informed of the program.

But AMIN, "supports competition in a way that is consistent with [CenterPoint's] proper role in a competitive market," Gastineau insisted.

CenterPoint's proper role in the market is to work with each and every market participant to support innovation and competition, not to stifle it, Gastineau testified.

CenterPoint will work - and has worked - with any REP or other market participant that approaches the company for assistance, Gastineau told the PUCT.

AMIN supports competition by furthering the Legislative goal of rapid deployment of advanced meters and by rewarding innovation and risk taking, Gastineau argued.

AMIN allows REPs to deploy meters in a targeted, demand-driven fashion consistent with each REP's own business plan. REPs that have good business plans, that develop products and services

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Maine CEPs Report 2007 Sales

Annual report filings by competitive electricity providers at the Maine PUC give a glimpse into market share and pricing. If a utility area or type of sale (i.e. SOS versus non-SOS) is not listed, then that CEP had zero sales for that category. CEPs created solely for customers to self-supply their load are not listed. Consolidated Edison Solutions, Liberty Power and Emera Energy all reported no Maine sales in 2007. Tables below reflect CEP data as reported to date, including any inconsistencies or errors in the original reports.

Maine CEP 2007 Sales, Revenues

Customer Class Legend*:

Mass: Residential and Small Non-Residential

MCI: Medium Non-Residential

LCI: Large Non-Residential

**As defined by Ch. 301 of Maine PUC Rules*

BP Energy Company

Total Sales: 38,771,713 kWh

Central Maine Power
Standard Offer Service

Class	kWh Sales	Revenues	Average $/kWh
Mass	0	0	--
MCI	0	0	--
LCI	35,829,630	$3,667,776	$0.102367
Total	35,829,630	$3,667,776	

Bangor Hydro-Electric
Standard Offer Service

Class	kWh Sales	Revenues	Average $/kWh
Mass	0	0	--
MCI	0	0	--
LCI	2,942,083	$572,356	$0.194541
Total	2,942,083	$572,356	

Constellation Energy Commodities Group Maine

Total Sales: 2,668,202,017 kWh

Central Maine Power
Standard Offer Service

Class	kWh Sales	Revenues	Average $/kWh
Mass	2,229,916,991	$229,480,629	$0.102910
MCI	0	0	--
LCI	83,590,950	$7,740,737	$0.092603
Total	2,313,507,941	237,221,366	

Bangor Hydro-Electric
Standard Offer Service

Class	kWh Sales	Revenues	Average $/kWh
Mass	314,041,915	$47,055,189	$0.149837
MCI	0	0	--
LCI	40,652,160	$3,900,887	$0.095958
Total	354,694,075	$50,956,076	

Direct Energy Services

Total Sales: 53,264,095 kWh

Central Maine Power
Non-Standard Offer Sales

Class	kWh Sales	Revenues	Average $/kWh
Mass	0	0	--
MCI	0	0	--
LCI	53,264,095	$5,008,089	$0.094024
Total	53,264,095	$5,008,089	$0.094024

Dominion Retail

Total Sales: 573,251,827 kWh

Central Maine Power
Standard Offer Service

Class	kWh Sales	Revenues	Average $/kWh
Mass	0	0	--
MCI	529,179,610	$43,326,866	$0.0819
LCI	0	0	--
Total	529,179,610	$43,326,866	

Central Maine Power
Non-Standard Offer Sales

Class	kWh Sales	Revenues	Average $/kWh
Mass	0	0	--
MCI	23,081,738	$1,889,830	$0.0819
LCI	0	0	--
Total	23,081,738	$1,889,830	

Bangor Hydro-Electric
Standard Offer Service

Class	kWh Sales	Revenues	Average $/kWh
Mass	0	0	--
MCI	20,990,479	$1,723,731	$0.0821
LCI	0	0	--
Total	20,990,479	$1,723,731	

FPL Energy Power Marketing

Total Sales: 2,193,100,418 kWh

Central Maine Power
Standard Offer Service

Class	kWh Sales	Revenues	Average $/kWh
Mass	1,195,141,675	$100,009,542	$0.083680
MCI	527,175,520	$52,886,300	$0.100320
LCI	57,144,586	$4,635,517	$0.081119
Total	1,779,461,781	$157,531,359	

Bangor Hydro-Electric
Standard Offer Service

Class	kWh Sales	Revenues	Average $/kWh
Mass	234,412,077	$19,028,320	$0.081175
MCI	179,226,181	$17,697,624	$0.098745
LCI	0	0	--
Total	413,638,258	$36,725,943	

Freedom Partners, LLC (of Texas)

Total Sales: 13,664,678 kWh

Central Maine Power
Non-Standard Offer Sales

Class	kWh Sales	Revenues	Average $/kWh
Total	11,381,040	$470,605	$0.041300

Bangor Hydro-Electric
Non-Standard Offer Sales

Class	kWh Sales	Revenues	Average $/kWh
Total	2,283,638	$128,605	$0.056300

Class breakdowns not available

Hess

Total Sales: 468,087,000 kWh

Central Maine Power
Non-Standard Offer Sales

Class	kWh Sales	Revenues	Average $/kWh
Mass	0	0	--
MCI	0	0	--
LCI	176,575,288	$14,343,061	$0.081229
Total	176,575,288	$14,343,061	

Bangor Hydro-Electric
Non-Standard Offer Sales

Class	kWh Sales	Revenues	Average $/kWh
Mass	0	0	--
MCI	0	0	--
LCI	17,487,955	$1,584,103	$0.090583
Total	17,487,955	$1,584,103	

Madison Dept. of Electric Works
Non-Standard Offer Sales

Class	kWh Sales	Revenues	Average $/kWh
Mass	0	0	--
MCI	0	0	--
LCI	238,213,740	$11,480,322	$0.048193
Total	238,213,740	$11,480,322	

Integrys Energy Services

Total Sales: 1,257,178,903 kWh

Central Maine Power
Non-Standard Offer Sales

Class	kWh Sales	Revenues	Average $/kWh
Mass	0	0	--
MCI	662,605	$67,024	$0.101152
LCI	391,909,398	$36,315,299	$0.092662
Total	392,572,003	$36,382,323	

Bangor Hydro-Electric
Non-Standard Offer Sales

Class	kWh Sales	Revenues	Average $/kWh
Mass	0	0	--
MCI	0	0	--
LCI	49,723,093	$4,517,595	$0.090855
Total	49,723,093	$4,517,595	

Integrys Energy Services (Cont'd)
Maine Public Service
Standard Offer Service

Class	kWh Sales	Revenues	Average $/kWh
Mass	252,564,196	$19,684,324	$0.077938
MCI	74,431,266	$6,884,170	$0.092490
LCI	37,785,665	$3,526,414	$0.093327
Total	364,781,127	$30,094,908	

Maine Public Service
Non-Standard Offer Sales

Class	kWh Sales	Revenues	Average $/kWh
Mass	2,227,276	$159,755	$0.071727
MCI	16,320,204	$1,416,515	$0.086795
LCI	126,666,321	$10,964,367	$0.086561
Total	145,213,801	$12,540,637	

Eastern Maine Electric Cooperative
Standard Offer Service

Class	kWh Sales	Revenues	Average $/kWh
Mass	50,353,364	$2,825,959	$0.056123
MCI	25,176,682	$1,412,979	$0.056123
LCI	8,392,227	$470,993	$0.056123
Total	83,922,274	$4,709,931	

Eastern Maine Electric Cooperative
Non-Standard Offer Sales

Class	kWh Sales	Revenues	Average $/kWh
Mass	1,675,193	$95,055	$0.056743
MCI	837,596	$47,528	$0.056743
LCI	279,199	$15,843	$0.056743
Total	2,791,988	$158,425	

Houlton Water Company Electric Dept.
Standard Offer Service

Class	kWh Sales	Revenues	Average $/kWh
Mass	33,517,313	$1,774,493	$0.052943
MCI	27,423,256	$1,451,858	$0.052943
LCI	0	0	--
Total	60,940,568	$3,226,351	

Houlton Water Company Electric Dept.
Non-Standard Offer Sales

Class	kWh Sales	Revenues	Average $/kWh
Mass	0	0	--
MCI	4,781,808	$258,888	$0.054140
LCI	26,643,587	$1,841,993	$0.069135
Total	31,425,395	$2,100,881	

Van Buren Light & Power District
Standard Offer Service

Class	kWh Sales	Revenues	Average $/kWh
Mass	7,154,115	$572,937	$0.080085
MCI	3,577,058	$286,468	$0.080085
LCI	1,192,353	$95,489	$0.080085
Total	11,923,525	$954,894	

Integrys Energy Services (Cont'd)
Van Buren Light & Power District
Non-Standard Offer Sales

Class	kWh Sales	Revenues	Average $/kWh
Mass	316,879	$22,946	$0.072412
MCI	158,439	$11,473	$0.072412
LCI	52,813	$3,824	$0.072412
Total	528,131	$38,243	

PPL EnergyPlus
Total Sales: 7,348,070 kWh
Bangor Hydro-Electric
Non-Standard Offer Sales

Class	kWh Sales	Revenues	Average $/kWh
LCI	7,348,070	$373,678.33	$0.051
Total	7,348,070	$373,678.33	

Sempra Energy Solutions
Total Sales: 127,427,000 kWh (as reported)
Central Maine Power
Non-Standard Offer Sales

Class	kWh Sales	Revenues	Average $/kWh
Mass	0	0	--
MCI	0	0	--
LCI	85,852,000	$7,375,290	$0.085907
Total	85,852,000	$7,375,290	

Bangor Hydro-Electric
Non-Standard Offer Sales

Class	kWh Sales	Revenues	Average $/kWh
Mass	0	0	--
MCI	0	0	--
LCI	1,384,764	$110,684	$0.079930
Total	1,384,764	$110,684	

South Jersey Energy Company
Total Sales: 9,824,592 kWh
Central Maine Power
Standard Offer Service

Class	kWh Sales	Revenues	Average $/kWh
Mass	0	0	--
MCI	2,539,503	$252,954.84	$0.0996
LCI	6,796,712	$674,093.03	$0.0992
Total	9,336,215	$927,047.87	

Bangor Hydro-Electric
Standard Offer Service

Class	kWh Sales	Revenues	Average $/kWh
Mass	0	0	--
MCI	488,377	$46,866.00	$0.0960
LCI	0	0	--
Total	488,377	$46,866.00	

Suez Energy Resources NA
Total Sales: 169,716,151 kWh
Utility breakdown not available

Briefly:

UI Suggests Netting Distributed Generation Against Supplier Charges

United Illuminating suggested that it apply net metering credits to the supply side of bills for competitively served customers on utility consolidated billing even if the competitive supplier is not offering a net metering rate or product (Matters, 6/23/08). UI recommended to the DPUC (05-06-04RE04) that if it is netting kWhs on the distribution side, it should also net them on the supply side, regardless of the competitive rate. Such a mechanism should not be used until after UI's backoffice upgrades are completed around the first quarter of 2010, UI urged. In the meantime, UI would not net against competitively supplied load, and net metering customers served by a marketer would pay for their full commodity usage.

MEPCO Roll-In ... from 1

facilities.

In October of last year, FERC had found that the ISO was required to provide Casco Bay with a grandfathering option that would preserve Casco Bay's existing rights, with the exception that it would become subject to scheduling and curtailment on an economic basis. However, FERC now finds that more process is needed in order for the Commission to understand the existence, nature and scope of Casco Bay's rights, and clarified that it was not the Commission's intention in its October order to explicitly state that Casco Bay possesses hedges against congestion and marginal losses. Rather, the order sought only to preserve any rights that Casco Bay may possess under the TSA.

AMIN ... from 1

that appeal to customers, and that are willing to risk their own funds will find in the AMIN agreement a means to pursue their business plans and market their products, Gastineau claimed.

Smaller REPs, in particular, should benefit from larger REPs (such as Reliant) acting as an "anchor" for the AMIN program by funding the infrastructure needed for REPs to install individual meters in a certain areas.

"Even a REP that can afford only a few meters or a few cell relays can use the AMIN agreement to gain valuable marketing experience at a reasonable cost in advance of general [advanced meter] deployment under a Commission-approved plan," Gastineau contended. For smaller REPs who are willing to share a pro rata portion of the cost of the larger system deployed by anchor REPs, the AMIN agreement offers an opportunity to "piggy back" on that system and gain valuable information and experience before general smart meter deployment, Gastineau testified.

CenterPoint has absolutely not given any REP preferential treatment, Gastineau insisted. Gastineau noted that CenterPoint has communicated with the Alliance for Retail Markets and Texas Energy Association of Marketers about the fact that a REP (Reliant) had approached CenterPoint asking for help in getting smart meters deployed early. When discussions with Reliant reached a point at which an agreement was nearly completed, CenterPoint made the form of agreement available to other REPs, Gastineau said.

Gastineau claimed that geographic deployment of advanced meters is not as efficient as some parties are arguing, because customers who receive smart meters under geographic deployment may have no interest in using them. While CenterPoint does achieve "relatively small operational efficiencies" under geographic deployment, geographic deployment ignores "truly significant" benefits to be gained in the market (reduced consumption, demand response, etc.) when advanced meters are not merely deployed, but are actually used by end-use customers in conjunction with products offered by REPs or others, Gastineau asserted. Gastineau does not believe PUC SUBST. R. §25.130 contemplates geographic deployment of advanced meters.

Check Your Inbox for July 4 Stories

We published a July 4 issue that was sent out just after midnight on July 4. Check your inbox to read the following July 4 news:

- Maryland PSC Orders Utilities to Evaluate Portfolio Procurement
- PUCT Grants SWEPCO Turk Plant CCN
- Dayton Calls RPM Buyers' Transitional Auction Complaint a Hunt for More Subsidies
- Constellation Suggests SCED to Solve TLR Problems in Unorganized Markets
- Michigan Demand Response Pilots Must Wait for Smart Meters
- PUCT Staff Issues Customer Disclosure Strawman
- ERCOT Postcard Gets New Language
- PUB Complaints Against TriEagle, Starlight Dismissed
- July 2009 Is Target for Interim 15-Minute Smart Meter Settlement in ERCOT
- PUCT Commits to CREZ Decision By End of July
- N.Y. PSC Sets Natural Gas Efficiency, Demand Response Working Groups
- New LIDA Discounts Approved