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MAINE PUBLIC ADVOCATE SUCCESSFULLY REDUCES CMP CHARGES TO RATEPAYERS FOR 2022 STORM COSTS

Shareholders, not customers, will now pay \$850 thousand in storm repair costs

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June 10, 2024 | HALLOWELL, ME – Central Maine Power Company (CMP) has agreed to a settlement to address concerns raised by the [Office of the Public Advocate](#) (OPA) regarding excessive spending in 2022 by CMP in restoring electric service after major storms.

As a rule, investor-owned transmission and distribution utilities are permitted to recover incremental storm costs from ratepayers provided the expenditures meet the utility's own Emergency Response Plan (ERP) and are deemed "prudently incurred" by the Public Utilities Commission (PUC).

In the case of the 2022 storm expenditures, OPA cited excessive external contractor costs, CMP's failure to provide adequate evidentiary support for some costs, and CMP's failure to provide contracts for the majority of its storm contractors.

OPA's concerns led to extensive litigation and then settlement negotiations, with CMP agreeing to shift nearly a million dollars in storm costs to shareholders instead of ratepayers as CMP originally intended.

The [settlement](#), which will be considered by the PUC for approval on June 11th, reduces the costs to ratepayers by \$850,000.

"If approved, this represents an important acknowledgement that some of the costs were both excessive and poorly documented," said Maine Public Advocate William Harwood.

As important as lowering the cost to ratepayers is, the settlement terms requiring CMP to work with OPA in the coming months to minimize the number of outages that result from future storms, may be even more significant, according to Harwood.

"It's OPA's belief that CMP should shift a substantial amount of its spending from restoration to prevention. Currently, CMP is spending too much cleaning up after the storm and too little before the storm, protecting its system from damage. We hope that this settlement results in that desired shifting of costs."

Going forward, OPA will remain vigilant against all overspending by regulated utilities that serve Maine ratepayers.

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