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Admitted in: Maine

June 17, 2015

VIA MPUC CASE FILE

Harry Lanphear
Administrative Director
Maine Public Utilities Commission
State House Station 18
Augusta, ME 04333-0018

Re: *CENTRAL MAINE POWER COMPANY, MAINE NATURAL GAS CORPORATION, 10-Person Complaint on the Unreasonable Practices and Acts of Iberdrola, Central Maine Power and Maine Natural Gas;*
Docket No. 2014-00069

Dear Harry:

On behalf of Complainants Patrick Paradis, the City of Augusta, Christina St. Pierre, Leif Dahlin, Cecil E. Munson, Dale McCormick, Michael G. Byron, Paul G. Douin, Sharon Ann Paradis, Ann M. Thomas, Sheila C. Stratton, and Donald Stratton (collectively, "Complainants"), Respondents Central Maine Power Company ("CMP") and Maine Natural Gas ("MNG") (together, "Respondents"), and the Maine Office of the Public Advocate ("OPA"), please find enclosed an executed Stipulation in the above-referenced docket.

The Stipulation is a comprehensive settlement of all issues in this proceeding, and the signatory parties comprise all active parties in this docket. The parties agreed to the Stipulation following over 14 months of proceedings and two recent settlement conferences, in which all parties, as well as Commission Staff, substantially participated. The Stipulation is the product of a process that was fair to all parties, is joined by parties representing a broad spectrum of interests, and provides for a resolution of these proceedings that is reasonable, consistent with the Commission's legislative mandate, and consistent with the public interest.

In support of this request, and pursuant to 65-407 C.M.R. ch. 110, § 8(D), the parties state as follows:

A. Names of Parties Joining, Opposing, or Taking No Position on the Stipulation

As set forth above, each active party in this docket joins in the Stipulation. The Commission previously dismissed Respondents Iberdrola, S.A. and Iberdrola USA from these proceedings.

B. Settlement Process

Following over one year of proceedings, which included numerous data requests and a technical conference, Complainants, Respondents, the OPA, and Staff all participated in settlement conferences held on April 29, 2015, and June 2, 2015. As a result of these settlement discussions, Complainants, Respondents, the OPA, and Staff have resolved all of the issues presented by Complainants' 10-Person Complaint not previously dismissed by the Commission.

C. Parties' Agreement to Commission Staff Recommendations

The parties have entered into the Stipulation based on the understanding that Staff, which participated in and facilitated the settlement conferences, supports the terms of the Stipulation and will recommend that the Commission approve it. As set forth in the Stipulation, the parties waive any rights they have under 5 M.R.S. § 9062(4) and Chapter 110, § 8(F)(4) of the Commission's Rules, to the extent necessary to permit Staff to discuss the Stipulation with the Commissioners, either before or at the Commission's deliberations, without providing to the parties an Examiner's Report or the opportunity to file Exceptions.

D. Major Provisions Agreed Upon

The Stipulation reflects a settlement reached by Complainants, Respondents, the OPA, and Staff concerning all issues set for investigation in the Commission's August 11, 2014 Order and September 10, 2014 Notice of Proceeding, including all remaining issues presented by Complainants' 10-Person Complaint. The provisions agreed upon in the Stipulation are summarized as follows:

- Shareholders will make a one-time payment to CMP's distribution customers of \$95,000. This payment will be made through a reduction in CMP distribution rates as part of an annual distribution price change.
- CMP will make the aforementioned price adjustment as part of its 2015 annual price change, if possible. If not possible, CMP will make the adjustment in its 2016 annual distribution price change and will include appropriate carrying costs calculated at its pretax weighted cost of capital of 10.32%.
- Unless modified by subsequent Commission order or changes to applicable Commission rules, (a) no CMP officer shall accompany any MNG employee to any customer solicitation, or communicate with any existing or potential MNG customer directly regarding any MNG interest and (b) all services provided by CMP to MNG under its existing service contracts will be limited to services with no retail MNG customer interface.

E. Why the Stipulation Provisions are in the Public Interest

The provisions of the Stipulation are in the public interest and the Commission should approve the Stipulation without modification for the following reasons:

- Pursuant to the terms of the Stipulation, the on-going investigation will be resolved without need for a hearing and further proceedings requiring further time and attention of the Commission, its Staff and the parties.

- The Stipulation will result in a one-year reduction in CMP's distribution rates of \$95,000 on account of the one-time payment by shareholders, and will clarify the services that CMP employees and officers may provide to MNG going forward in order to avoid the perception of unfair treatment of MNG by CMP and to avoid similar disputes in the future.
- The Stipulation will bring to an end an unfortunate public dispute between CMP and the City of Augusta, permitting both to focus their resources on serving customers and the public in general. Indeed, the City of Augusta assented to the Stipulation upon a vote of the Augusta City Council, affirming the City's view that the Stipulation is in the best interests of the people of Augusta.
- Finally, the OPA played a critical role in bringing about the Stipulation and agrees that it is in the best interests of the customers of both CMP and MNG.

F. Statutory Authority

The Commission has authority to approve the Stipulation under the following statutes:

- 35-A M.R.S. § 301 (determination of just and reasonable rates)
- 35-A M.R.S. § 307 (approval of changes to rate schedules)
- 35-A M.R.S. § 707 (approval of affiliate transactions)
- 35-A M.R.S. § 1302(2) (permitting the parties to a 10-person complaint to resolve the complaint "to their mutual satisfaction")

Complainants, Respondents, the OPA, and Staff do not believe that the terms of the Stipulation depart from Commission precedent.

We understand that the Commission will consider the Stipulation during deliberations on July 16, 2015. We accordingly ask that you bring this filing and the enclosed Stipulation to the prompt attention of the Commissioners.

Thank you for your attention to this request.

Sincerely,



Jared S. des Rosiers

JSD/ao

cc: Andrew Hagler
Eric Bryant
Stephen Langsdorf
Andrew Landry