

December 19, 2000

MAINE PUBLIC UTILITIES COMMISSION
Standard Offer Bidding Process

ORDER DESIGNATING
STANDARD OFFER
PROVIDER IN MAINE
PUBLIC SERVICE
TERRITORY

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

I. SUMMARY

In this Order, we designate WPS-Energy Services, Inc. (WPS) as the standard offer provider for the three standard offer classes in Maine Public Service Company's (MPS) service territory.

II. BACKGROUND

Section 3212 of Title 35-A and Chapter 301 of our Rules require that the Commission conduct a bid process to select standard offer providers for electricity customers in Maine who do not otherwise obtain service from the competitive market. Accordingly, on October 2, 2000, the Commission issued three Requests for Bids (RFB): one each to provide service to customers in the service territories of CMP, BHE and MPS.¹

Consistent with the RFBs, the bid evaluation occurred in two phases. In Phase I, our staff reviewed the non-price portions of bidders' proposals for conformance with our rules and the requirements of the RFB. Bidders whose proposals conformed were notified and allowed to present Phase 2 price proposals. We evaluated the proposals based on the selection criteria contained in Chapter 301, § 8(C)(2), which states:

The Commission shall select the standard offer provider or combination of standard offer providers for each standard offer class based on the objectives of obtaining the lowest price for standard offer service for each standard offer class, the lowest cost for standard offer service overall, and the stability of standard offer prices.

¹ Pursuant to Chapter 301, § 8(E), the consumer-owned utilities opted to run their own bid processes.

Based on this process, we designate the standard offer provider for the MPS service territory as described below.

III. DECISION

We designate WPS as the standard offer provider for 100% of the three MPS standard offer classes for the 3-year period beginning March 1, 2001. The resulting standard offer prices are shown below:

March 1, 2001 through February 28, 2002

Class	Price
Residential/small non-residential	\$0.05577/kWh
Medium/non-residential	\$0.0562/kWh
Large/non-residential	\$0.0601/kWh

March 1, 2002 through February 28, 2003

Class	Price
Residential/small non-residential	\$0.05689/kWh
Medium/non-residential	\$0.05732/kWh
Large/non-residential	\$0.0613/kWh

March 1, 2003 through February 29, 2004

Class	Price
Residential/small non-residential	\$0.05802/kWh
Medium/non-residential	\$0.05847/kWh
Large/non-residential	\$0.06253/kWh

The bid prices submitted by WPS were the lowest received for the MPS service territory. As required by Section 8(C)(4) of Chapter 301, we considered whether to designate more than one provider. We have not designated additional provider(s) because a designation of multiple providers would violate the rule's rate impact criterion.²

The 3-year term of the bid in conjunction with the prices will provide longer-term stability for standard offer prices and protect customers from the impact of substantial energy price increases during this period. Additionally, by informing competitive providers of the prices with which they will be competing for the next three years, this approach may stimulate competitive activity. Finally, we note that, if energy prices drop,

² The rule allows for designation of multiple providers only if the impact on the standard offer rate is 1.5% or less.

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Civil Procedure, Rule 73, et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.