

# Maine Public Utilities Commission

## PRESS RELEASE

### Maine Public Utilities Commission

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## \$300 MILLION ELECTRICITY CHARGE SQUEEZES MAINE

*MPUC Leads Legal Challenge, Fighting Feds on Behalf of Maine Business and Citizens*

Waterville, MAINE - (August 21, 2007) Governor Baldacci, workers, and business and policy leaders convened at the Huhtamaki plant to show their unified opposition to an exorbitant electricity fee that federal and regional officials are imposing on every Mainer and Maine business. Maine Public Utilities Commission officials estimate this federal mandate will cost Mainers an extra \$300 million over the next four years.

On Monday the MPUC filed legal briefs challenging ISO-New England's electricity fee in federal court. The fee has already raised rates of commercial and industrial customers by 6 percent, and by 2010 will hit all medium and large businesses with a 10 percent increase. Residential customers will also see a 6 percent rise in their electricity bills.

Huhtamaki, one of the largest employers in central Maine, is already paying \$65,000 *per month* extra to cover the fee - a \$780,000 annual addition to the expenses of the company. The Lincoln Paper and Tissue plant in Lincoln, which employs 400 people, is struggling with a similar hike in its electricity costs.

"This new electricity fee is one more burden on Maine's businesses, which are already suffering from an extreme escalation in power costs," said Keith Van Scotter, president of Lincoln Paper and Tissue. "This means less money for wages, benefits and improvements, all of which causes Maine's businesses to be less competitive over time"

It's not just big industry that's being hurt. School districts around Maine must pay the new charge. MSAD #47 in Oakland reports it will pay an additional \$22,443.00 in the current year to cover the fee -- that is money that comes from the classroom if taxpayers can not make it up,

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"We must fight for Maine consumers and do everything in our power to have this unjust charge struck down," said Kurt Adams, MPUC Chairman. "It's just a siphon that over the next four years will sluice \$300 million from the Maine economy, and transfer it to the treasuries of hugely profitable power companies."

"Rising energy costs are already a burden on Maine residents and businesses," said Governor Baldacci. "The ISO-New England fee severely hinders Maine's competitiveness. My Administration is exploring ways to decrease utility costs, including working with New Brunswick on electrical interconnection and encouraging the development of renewable energy sources."

In its challenge in the Federal court of appeals for the Washington D.C. circuit, the MPUC calls for the Court to rescind the Federal Energy Regulatory Commission's approval of the transitional payments. The Commission wants new hearings to set payment standards that are more tightly tied to the costs of maintaining generation capacity.

The Public Utilities Commission is committed to ensuring that consumers have access to safe and reliable service for public utilities and that the rates for these utilities are just and reasonable. PUC programs include Maine Enhanced 911 Service, Dig Safe, and Efficiency Maine.

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*To arrange an interview with Chairman Adams, Commissioner Sharon Reishus, or Commissioner Vendean Vafiades, please contact Susan Tompkins at 207.287.7343 or by e-mail at [susan.tompkins@maine.gov](mailto:susan.tompkins@maine.gov)*