

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

112 FERC ¶61,178

August 9, 2005

In Reply Refer To:
Bangor Hydro-Electric Company
Docket No. ER00-980-012

Wright & Talisman, P.C.
Attn: Deborah C. Brentani, Esquire
Counsel for Bangor Hydro-Electric Company
1200 G Street, N.W., Suite 600
Washington, DC 20005-3802

Dear Ms. Brentani:

1. On June 15, 2005, on behalf Bangor Hydro-Electric Company (Bangor Hydro), you submitted an annual update, pursuant to section 2.11 of the Settlement Agreement in Docket No. ER00-980-000,¹ showing the implementation of Bangor Hydro's formula rate for the charges that became effective on June 1, 2005.
2. Notice of the filing was published in the *Federal Register*, 70 Fed. Reg. 37,381 (2005) with comments, protests and interventions due on or before July 6, 2005. None were filed.
3. Bangor Hydro states that this filing contains adjusted charges owing to the increased return on equity (ROE) accepted by the Commission in the Regional Transmission Organization (RTO) order for transmission-owning members of ISO New England.
4. The Commission, in its March 24, 2004 Order, in Docket No. ER04-157-000, *et al.*, *ISO New England, Inc.*, 106 FERC ¶ 61,280 at P 2-3, 232-50, *errata*, 107 FERC ¶ 61,051, *order on reh'g*, 109 FERC ¶ 61,147 at P 193-207 (2004) (RTO Order), accepted and suspended, and made effective, subject to refund, a proposed 12.8 percent base ROE effective as of the New England RTO Operations Date, February 1, 2005, and set that matter for hearing. Bangor Hydro states that, in accordance with the RTO Order, the higher ROE became effective February 1, 2005, subject to refund. It further states

¹ *Bangor Hydro-Electric Company*, 94 FERC ¶ 61,208 (2001).

that, by letter dated January 31, 2005 in Docket No. ER04-157-000, it informed the Commission (and Bangor Hydro's affected transmission customers and state agencies) that Bangor Hydro was deferring collection of the increased ROE to synchronize implementation of its ROE charges with its annual rate changes under Bangor Hydro's formula rate, per the instant filing. Bangor Hydro states that, accordingly, the adjusted charges in this filing include surcharges corresponding to the deferred ROE amounts covering the period from February 1, 2005 to June 1, 2005. It states that amounts recovered via these surcharges, as well as all going-forward amounts associated with the conditionally approved ROE increase are subject to refund, with interest, in accordance with the RTO Order.

5. In addition, Bangor Hydro states that the instant filing reflects minor "true-up" adjustments relating to the timing differences associated with prior-year rate change filings. Specifically, it states that it is rebilling for the months of June 2003 and June 2004, in order to coincide with its distribution rate changes that occur on July 1 of each year. We find that these adjustments are consistent with Bangor Hydro's tariff, and we accept them.²

6. Bangor Hydro also states that it has reduced its transmission charges to remove the effect of the inclusion of its acquisition payment in the calculation of the charges and has posted this on its OASIS. We find that this is consistent with the Settlement Agreement in Docket No. ER00-980-000, *et al.*, and we accept the adjustment.³

7. The Commission accepts and suspends for a nominal period Bangor Hydro's proposed revisions (except those specifically accepted above) to be effective June 1, 2005,⁴ subject to refund and subject to the outcome of Docket No. ER04-157-000, *et al.*

By direction of the Commission.

Linda Mitry,
Deputy Secretary.

² See Second Revised Sheet No. 247, effective November 1, 2003.

³ See *Bangor-Hydro Electric Company*, Docket No. ER00-980-008 (October 30, 2003) (unpublished letter order).

⁴ *Central Hudson Gas & Electric Corp.*, 60 FERC ¶ 61,106 at 61,338, *order on reh'g*, 61 FERC ¶ 61,089 (1992) (Commission will generally grant waiver of notice when rate change and effective date are already prescribed).