

# Central Maine Power embroiled in billing scandal

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Central Maine Power (CMP) the State of Maine's electricity distributor has recently been shaken by public anger, regulatory investigation, and a growing class action fraud suit after the exposure of criminal action and gross negligence by the company.

The public uproar against the utility is rooted in issues that arose with the launch of management's new "SmartCare" billing system that was rolled out in the fall of 2017. Shortly after the launch, hundreds of thousands of customers began to receive inaccurate bills. There are numerous reports of people being charged 200 to 300 percent higher than previous years in the same billing period. It is estimated that almost 100,000 people have been charged amounts at least 50 percent higher than for the same billing period in previous years. A lawsuit filed last year alleges that nearly 300,000 CMP customers were overbilled.

Those who failed to pay the inflated bills faced disconnect notices. As frigid winter weather approached the fear of disconnection forced many to pay inaccurate bills as the loss of power could mean a death sentence.

Tens of thousands have continued to contest the inflated bills and CMP continues to make threats, levy fees, and shut off the electricity to those who refuse to be bullied by the multimillion-dollar corporation.

Reports from those contesting their power bills have indicated they have been met with a barrage of strategies on the part of the company to coerce them into payment. These include suggestions of increased energy usage, introduction of new appliances, use of old faulty appliances, use of air conditioning, cold weather, or faulty home wiring. This has prompted some, in an effort to reduce their bills to an affordable level, to make drastic lifestyle changes: washing clothes by hand, air drying clothes, unplugging all

appliances when not in use, using lanterns and candles instead of electrical light sources at night, restricting the use of heat, etc...

The actions of CMP up to and throughout this fiasco have led to further scrutiny. The necessary precautions were not taken in order to prevent such a large billing system failure. Standard tests on billing and meter infrastructure were skipped and those precautionary tests that were taken prior to the rollout were rushed through.

Evidence has emerged of a systematic and criminal cover-up, implicating individuals all the way to the top off the corporation's hierarchy including president Douglas Herling and the company's Connecticut parent, Avangrid, which is owned by a group of Spanish investors. Lawyers representing ratepayers said the companies worked in concert, with each knowing of the errors in the billing system and intentionally misleading customers.

Herling knew about the drastic billing errors but continued to lie to the public about the severity of the issues, claiming that any problems had been solved and the billing systems were guaranteed accurate. CMP management continued to urge customers to pay bills it was aware might well be inaccurate. Evidence has also emerged that the company continued to withdraw payments from customers who had linked their bank accounts through an automatic payments system, even though they were actively contesting inaccurate bills, potentially implicating management in mail and wire fraud. Multiple legal teams are currently working toward launching a class action lawsuit accusing the corporate management and owners of fraud and racketeering.

Amidst growing discontent, Maine's Public Utilities Commission (PUC) has launched an inquiry. The

investigation is well underway and expected to be completed by this December.

In response to the public uproar, lawsuit, audits, and investigations, CMP's position has remained the same. The company insists there are no issues with overbilling and that inflation in bill rates coincides with the increase of energy usage by customers. They guarantee the accuracy of the bills and data gathered from energy meters. CMP claims that any issues that may have resulted from the new system rollout are minimal and have since been solved. To add insult to injury, the company has proposed a further rate increase of 10.65 percent.

The PUC has held three hearings in Portland, Farmington, and Hallowell to hear public concerns over the billing issues and proposed rate increases. While the PUC claims that these public hearings were an opportunity to present evidence and concerns to the commission to aide in the investigation, they ultimately served as little more than an attempt to relieve mounting social anger by allowing residents to let off steam.

At the hearings, workers and also some small business interests spoke publicly. All described an eerily similar story of being shocked by a high bill only to find, with further investigation, alleged spikes of power usage at strange hours when the entire household was asleep or even on vacation. In some cases vacant and unbuilt houses being charged for their "electricity use".

Many described the herculean efforts they had to go through to correct billing mistakes. Several individuals contesting their bills claimed they received late notices for a billing period even after paying the contested bill. In multiple circumstances these second notice bills were listed for differing amounts. The few that succeeded in getting adjustments often found the same problems recurring in subsequent months.

Even businesses that had previously enjoyed preferential treatment by the utility reported problems. A spokesman for a small scrap yard said in the recent period the business was ignored for weeks and months at a time and continued to receive inflated bills, even for periods they had already paid off. As a consequence the business had made the decision to continue to pay every bill requested to prevent disconnection.

A handful of Maine legislators attended and spoke at

the hearings, using the forum to posture as public advocates while covering up the full implications of the scandal.

Some said this was a problem of monopoly and that Mainers would benefit from breaking the company up into smaller competitors or providing a private option.

Seth Berry a Democrat in the Maine House of Representatives who has described himself as a "democratic socialist" called for the conversion of CMP into a nonprofit utility by means of a state financed buyout that would hand over \$4 billion of public funds to the very criminals that created the crisis in the first place. He proposed that a governor appointed state board manage the new entity

However, the current regulatory body (the PUC), which has failed to take any action to stop the ongoing billing crisis, is also decided by the governor. This board, that Berry claimed would be made up of varying "utility class" interests, would ultimately serve the interests of the bourgeoisie and upper middle classes, not those of the working class.

Whatever his posturing, Berry's proposals have nothing in common with genuine socialism. A socialist response to utility crisis requires the expropriation of privately owned utilities under the democratic ownership and control of the working class. This requires a break with the Democrats and Republicans and the building of an independent political movement of the working class.



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