



April 16, 2025

Honorable Mark Lawrence, Senate Chair
Honorable Melanie Sachs, House Chair
Joint Legislative Committee on Energy,
Utilities and Technology
100 State House Station
Augusta, ME 04333

Re: *Testimony in Opposition to LD 1405, An Act to Amend Laws Governing the Public Utilities Commission Concerning Participant Funding*

Dear Senator Lawrence, Representative Sachs, and Members of the Committee on Energy, Utilities, and Technology:

The Maine Water Utilities Association (MWUA) appreciates the opportunity to provide testimony in **opposition** to LD 1405, as ***originally*** drafted. With regard to the original bill, which we understand has since been amended by the sponsor prior to the public hearing, we take no position on whether funding for “participants” in non-adjudicatory proceedings should be continued. We do, however, oppose the provision of the original bill that eliminates participant and intervenor funding from the Commission’s penalty fund as it relates to water utilities. We are very concerned that striking this provision would expose water utilities to expenses that are challenging to afford, particularly given the small size of many water utilities in Maine.

With regard to the ***sponsor’s amendment*** circulated to the public on April 15, 2025, MWUA has no comments and takes no position.

About MWUA. MWUA is a nonprofit association based in Augusta that provides support for water works professionals throughout the State of Maine in advocating for safe drinking water through educational and technical programming as well as advocacy on the local, state, and national level. The Association was formed in 1925 and consists of approximately 86 utility and 60 associate members. Maine’s water utilities provide service to approximately 700,000 Maine residents, thousands of Maine businesses and public institutions, and millions of visitors to Maine every year.

What would LD 1405 do? The original bill does two things relevant to water utilities. First, LD 1405 would eliminate the requirement that public “participants” in non-adjudicatory proceedings receive funding in proceedings before the Public Utilities Commission (PUC). Second, LD 1405 strikes language that shields water utilities from having financial responsibility for funding “participants” in non-adjudicatory PUC proceedings as well as “intervenors” in adjudicatory PUC proceedings.

Background. Two years ago, as part of LD 395 before the 131st Legislature, the Legislature expanded funding for intervenors in adjudicatory proceedings to include funding for “participants” in non-adjudicatory PUC proceedings. The bill also provided that the Commission, at its discretion, could use funds from the Commission’s penalty fund to assist in financing intervenors or participants in PUC



Testimony of MWUA re LD 1405

April 16, 2025

Page 2

proceedings. LD 395 was a bill proposed by the PUC following a rulemaking proceeding it commenced in Chapter 840 of its rules to implement 2022 legislation related to intervenor funding.

During the public hearing on LD 395, our Association commented that the bill left open the potential that water utilities might end up having to directly pay for intervenors or participants in PUC matters involving water utilities, a cost that might exceed what many water utilities and their ratepayers could afford. The Committee ultimately agreed and, working with the PUC, addressed our concern by amending the bill to provide that funding for participants or intervenors in PUC proceedings involving water utilities must come from the PUC's penalty fund – in other words, the funding could not come from water utility ratepayers. This provision was memorialized in Section 2-A of the intervenor statute, Section 117 of Title 35-A. That thoughtful compromise recognized that while funding intervenors or participants is appropriate in certain instances, such participation should not be financed on the backs of water utility customers—especially when those utilities are already grappling with inflation, aging infrastructure, and limited revenue bases. To our knowledge this provision has not caused any issues.

Discussion. LD 1405 as originally drafted would repeal not only funding for “participants” in any non-adjudicatory PUC proceeding, but it would also eliminate the provision – 35-A MRSA Section 117(2-A) that protects water utilities from having to fund intervenor and participant costs directly. If this original bill were to pass, there would no longer be funding of “participants” in non-adjudicatory proceedings, but funding for “intervenors” in adjudicatory proceedings would remain – and the cost of such intervention in cases associated with utilities would revert to the utilities themselves – including water utilities. It is this latter effect of the original bill that forms the primary basis for our opposition.

Water systems are not large. Most are small, some extremely small with limited customer bases. With limited exceptions, water utilities do not have their own legal department. They are public stewards of one of our most essential resources—safe drinking water. Passing legislation that burdens them with additional costs for intervenors or participants in PUC proceedings would create a financial hardship on many systems who simply do not have the customer base to afford the expense.

If the Committee moves forward with the portion of the original bill that removes “participant” funding for non-adjudicatory proceedings, our Association takes no position. However, regardless of how the Committee proceeds on this initial part of the original bill, we oppose the other portion of this bill that removes the funding for intervenors or participants in water utility matters from the PUC's existing penalty fund and instead places the burden for such funding on water utility ratepayers themselves.

Conclusion. MWUA respectfully urges the Committee to vote ONTP on LD 1405 as originally drafted, or in the alternative, leave intact the portion of law that funds public intervention in water utility cases from the PUC's penalty fund. MWUA takes no position on the sponsor amendment circulated to the public on April 15.

Thank you for the opportunity to provide testimony, and we would be happy to answer any questions from the Committee.

Thank you for your consideration,



Roger Crouse, Chair
MWUA Legislative & Regulatory Affairs Committee

Testimony of MWUA re LD 1405

April 16, 2025

Page 3

cc: James I. Cohen, Verrill Dana, LLP, Legislative Counsel