

MAINE PUBLIC UTILITIES COMMISSION

An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2024 and June 30, 2025

Before the Joint Standing Committee on Appropriations and Financial Affairs and Energy, Utilities and Technology

March 1, 2023

Senator Rotundo, Representative Sachs, Senator Lawrence, Representative Zeigler, Members of the Joint Standing Committees on Appropriations and Financial Affairs and Energy, Utilities and Technology, I am Harry Lanphear, Administrative Director of the Maine Public Utilities Commission (Commission or PUC).

The Commission was established by the Maine Legislature in 1913 and is responsible for regulating Maine's electric, gas, telephone and water utilities. The Commission also has limited authority over rates and service of ferry transportation. In addition to its regulatory role, the Commission enforces Gas Safety and the Underground Damage Prevention Program and manages the statewide Enhanced 9-1-1 (E911) system.

The Commission is divided into six operating areas according to industry area or function. The Telephone and Water Division and the Electric and Gas Division are designated to work on the issues related to these regulated industries. The Emergency Services Communication Bureau (ESCB) manages the statewide E911 system, including program development and implementation. The Consumer Assistance and Safety Division (CASD) provides information and assistance to utility customers to help them resolve disputes with utilities. The CASD also oversees gas safety regulation and enforcement as well as Dig Safe. The Legal Division provides hearing officers in cases before the Commission and assists in preparing and presenting Commission views on legislative proposals. The Administrative Division handles day-to-day operational management of the Commission, with responsibilities for fiscal, personnel, technology and other administrative matters.

The Commission has continued to see a rise in complex cases and over the past few years has lost several key senior staff due to retirements. To address some of the institutional knowledge loss, complexity in utility casework and to enhance public engagement, the Commission is proposing to add two Utility Analyst positions bringing the PUC's headcount total to 77. Other proposed increases include a grant placeholder account for future grants in the Emergency Services Communication Bureau, technology needs, and one position reclassification approved by the Bureau of Human Resources. The net increases proposed in the Commission's budget are \$500 in Federal Expenditures Fund and \$559,473 in Other Special Revenue Funds which is discuss in detail below.

EMERGENCY SERVICES COMMUNICATION BUREAU 0994

The first Budget Program presented in the Committee document is labeled “Emergency Services Communication Bureau 0994” (**page A-616**). The baseline budget presented shows this Budget Program is comprised of Other Special Revenue Funds. The fund encompasses Personal Services for 9 positions and All Other expenditures consisting primarily of information technology contracts and services to support the E911 system.

The E911 system is funded entirely through a surcharge on wireline, wireless (cellular), prepaid wireless and interconnected voice over internet protocol (VoIP) telephone service. The surcharge is currently \$0.35 per line.

The first initiative in this budget program is on **page A-616**. The Commission is requesting to establish a Federal Expenditures account within the Emergency Services Communication Bureau. The Bureau manages the statewide E911 system serving all Maine's municipalities, plantations, and townships. This initiative creates a federal account in the budget program with the purpose of accounting for grants in the federal expenditures fund as they become available in the future.

The next initiative is on **page A-616**. This initiative will provide funding for the approved reclassification of one Public Service Coordinator I- Director of Special Programs range 27 to a Public Service Coordinator II- Deputy Director range 30. This position will serve as Deputy Director and has authority to act in the absence of the Director. This position provides leadership and direction over other staff in carrying out the activities of the Emergency Services Communication Bureau's mission to implement and maintain the statewide E911 system.

OVERSIGHT AND EVALUATION PROGRAM Z106

The next Budget Program presented in the Committee document is labeled “Oversight and Evaluation Program Z106” (**page A-617**). The baseline budget presented shows this Budget Program is comprised of Other Special Revenue Funds.

The Commission was required to establish this program pursuant to Public Law 2009, c. 372, which established the Efficiency Maine Trust (Trust). The purpose of the Oversight and Evaluation Program is to defray the Commission's expenses in overseeing the Trust, including but not limited to contracting with third party consultants in reviewing and approving the Trust's Triennial Plan. Public Law 2009, c. 372, also provides for the Commission to assess up to 1% of the funds administered by the Trust to cover the costs of this oversight.

There are no new initiatives in this budget. The biennial budget reflects \$252,660 in FY24 and FY25 in Other Special Revenue Funds.

ADMINISTRATIVE DIVISION PROGRAM 0184

The next Budget Program presented in the committee document is labeled "Administrative Division Program 0184" (**page A-618**). The baseline budget presented shows this Budget Program is comprised of Federal Expenditures Fund and Other Special Revenue Funds. The Administrative Division Program provides the Commission with the resources to regulate Maine's electric, gas, telephone and water utilities, ensuring that consumers have access to safe and reliable service from public utilities at rates that are just and reasonable. In addition, this program provides funding for gas safety regulation including damage prevention and pipeline safety work performed by the Commission.

These Commission functions are funded through an assessment on regulated utilities. The Commission also receives federal funds from the U.S. Department of Transportation's One Call Grant to partially fund damage prevention investigators who enforce Maine's underground facilities damage prevention law.

The first initiative of this budget program is on **page A-618**. This initiative will establish one Utility Analyst position. This position will enhance public engagement with Maine communities, non-profits, small utilities and other stakeholders who need assistance. The position will interface directly with these groups to educate them on the Commission's regulatory processes and proactively assist them regarding a) participating in Commission cases, b) for small utilities helping them understand the laws and rules to support utility filings, and c) assisting tribal and other advocate groups to more easily understand and engage in regulatory proceedings at the Commission.

The next initiative is on **page A-618**. This initiative provides funding for the cost of technology-related expenditures provided by the Department of Administrative and Financial Services, Maine Information Technology. This initiative will support the ongoing technology needs that the Commission utilizes through software, hardware and support provided by Maine IT. In addition, the Commission requires added support of its electronic case management system. This system allows utilities and citizens to file all documents electronically. This system is very complex and requires additional programming to maintain and enhance its functionality to support the needs of the stakeholders that utilize the system.

The next initiative is on **page A-618**. This initiative establishes one Utility Analyst position. The number and complexity of cases being analyzed by the Commission has increased over the last several years. These cases must be analyzed thoroughly to ensure that rates charged to utility customers are just and reasonable. This additional utility analyst will allow the Commission to comply with the regulatory requirements specified in statute.

CONCLUSION

This concludes the testimony of the Public Utilities Commission. I would be happy to answer any questions you have.