



**CENTRAL MAINE  
POWER**

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Vice President, Customer Service - Maine

## Testimony in Opposition

### LD 1962, "An Act to Limit Utility Shut-offs"

January 25, 2024

Senator Lawrence, Representative Zeigler and members of the Joint Standing Committee on Energy, Utilities, and Technology,

My name is Linda Ball and I am the Vice President of Customer Service for Central Maine Power Company, testifying in opposition to LD 1962, "An Act to Limit Utility Shut-offs."

To be clear, CMP is fully supportive of appropriate customer protections. We also recognize that disconnecting a customer's service for non-payment is a serious matter which should be regulated. While there are provisions of LD 1962 that CMP can agree with and even support, we oppose LD 1962 because as written it will add significant additional and unnecessary costs for all ratepayers, with questionable added value other than to make it easier for customers to not pay their bills. Those unpaid bills are then socialized to all ratepayers, further increasing costs.

CMP is committed to timely and accurate billing for our 660,000 customers, and to helping customers manage their utility accounts and balances. While we recognize that customer protections and disconnections need to be regulated, we also note that these protections already exist and are enforced within the MPUC's Chapter 815. Any additional protections that the Committee finds necessary would

be best handled in a Commission rulemaking to modify Chapter 815 in a thoughtful and collaborative proceeding. Since Chapter 815 is currently open for review and alteration with the Commission, that venue should be utilized to propose any additional protections.

With regard to the specific proposals in LD 1962, first and foremost, CMP believes the existing statute which requires that rates be found to be “just and reasonable” is appropriate and should not be expanded to include a requirement that rates be affordable. Affordability is completely subjective based on individual circumstances and sets an almost impossible bar to achieve. What is “affordable” for a person without a source of income?

CMP agrees that provision A (1), which would prohibit disconnects during extreme weather, has merit, especially as climate change continues to affect Maine weather patterns. CMP notes that utilities are already prohibited from disconnecting residential customers during the winter period without the express permission of the CASD, so this provision could be specific to high heat and or humidity and in fact, CMP already voluntarily suspends residential disconnections during extended periods of high heat. If an extreme weather provision is implemented, it should clearly identify the threshold at which disconnections cannot take place and the trusted weather source for that threshold, should differentiate by town or other geographic area, since weather in Rangeley is usually vastly different than the weather in Portland, for instance, and should identify the period of time during which disconnects cannot take place (one day, two days?). Again, a rulemaking through the PUC is the best venue for this type of discussion.

Provision A (2), which raises the threshold for a disconnection to \$225, has the potential to inadvertently harm the same customers the Act is intended to protect. The very best way to protect all customers is encouraging them to prioritize payments for essential services, like electricity, and to connect them with assistance

programs if they cannot afford their bills. Increasing the threshold for a potential disconnection from \$50 to \$225 fails to consider the ability of customers with limited discretionary income to catch up once their bill is past due. While a customer may be able to catch up \$50 or even \$100, \$225 is a much higher bar. Once the past due amount reaches whatever threshold is set, a customer with limited income simply has a higher amount to catch up to get reconnected, so the perceived protection is short lived.

In 2021, LD 1328 was passed prohibiting utilities from sending disconnections notices to residential customers during the winter period without express permission from the MPUC's Consumer Assistance and Safety Division. At the time, it was suggested that this would "protect" customers from having to worry about their power being disconnected during the cold months. Now during the winter period, CMP sends residential customers a Past Due Reminder Notice. The unintended consequence of LD 1328 appears to be that some customers simply stopped paying at all in the wintertime and potentially also stopped seeking state or federal assistance that could have helped pay their electricity bill. From December 1, 2022 through March 31, 2023, more than 21% of CMP customers who received a winter Past Due Reminder notice made zero payments. Those customers then face a higher catch-up amount – including all of their winter usage - when the winter period ends and potentially after assistance funds are depleted or programs close. CMP urges the Committee to consider the potential long-term consequences of this increase to the disconnection threshold.

Regarding Section 1B, which prohibits security deposits and reconnection fees from being charged to low-income customers who are reconnected after being disconnected and requires that late payment charges be refunded if they were charged prior to the disconnect, CMP has several concerns.

The purpose of a security deposit is to protect all ratepayers from a future default, to limit the amount of unpaid final bills that are socialized to all ratepayers. Prohibiting the collection of a security deposit from low-income customers simply extends a higher risk to all ratepayers, should that customer fail to pay again in the future. However, CMP agrees this provision could be reasonable, especially since there is no direct additional cost to other customers.

Prohibiting a reconnection fee from being charged to low income customers would require significant changes to CMP's billing system, which will take time and cost money. The costs of the reprogramming would be passed on to all customers, simply to avoid charging the appropriate fees to a certain segment of customers.

Requiring that late payment charges be refunded to low-income customers after a reconnection provides a perverse reward to low income customers for being disconnected, as opposed to low income customers – and all customers – who responsibly manage their electricity bill. As drafted, this provision would charge fees only to forgive the charge *if a customer is disconnected and reconnected*. In an extreme example, a customer could be required to pay late payment charges to achieve a reconnection only to then have those charges credited back after the reconnection.

Finally, provision 1(C) which requires an in-person visit prior to remote disconnection, causes great concern. Societal changes have made unplanned visits to customer homes a more dangerous prospect than ever before. Utility workers have been threatened during storm restoration, customers have threatened to harm workers if they come to their property for collection reasons, for tree trimming and even for meter reading. Electronic metering, including remote disconnects and reconnects, significantly mitigates many – though not all – of these risks to utility workers. CMP cannot support a provision that literally puts its employees in harm's way when a safer alternative exists.

In addition to safety concerns, requiring an in-person visit would significantly increase costs for all customers, costs that were eliminated more than a decade ago when AMI was implemented. CMP would need to hire trained field personnel to conduct the visits, outfit them with trucks, fuel, field computers, supervision and support staff and more, all to be able to say out loud to customers the same rights that are already provided in a myriad of other ways including on utility bills, disconnection notices, on the company's website and which are discussed during customer calls.

CMP is required to make in-person visits to past due customers during the winter period, if the customer does not respond to the Past Due Reminder Notices. These are called Premise Visits. During the last winter season, only 10% of Premise Visits resulted in a conversation with a person. This suggests very limited return on the amount of time and money the visits cost.

Finally, if CMP has a trained field person on site at a customer location to discuss the disconnection, that field person would disconnect the service then and there during the visit by placing sleeves on the meter. This results in a slower reconnection process, since the reconnection would also then be in person to remove the sleeves. With a remote reconnection, customers can make a payment online or on the app or at an agency and the reconnection is immediately generated, 24 hours a day, 7 days a week. Most remote reconnections complete within minutes. In person reconnections would leave customers without power for significantly longer after satisfying the need for the reconnection.

We believe all of our customers would be better served by connecting customers in need with available assistance programs and urging and motivating customers to seek that assistance, rather than increasing costs for every customer simply to help some customers avoid paying for their usage. This just isn't the best use of ratepayer investments.

As noted, we agree that some of the provisions in LD 1962 bear consideration. We have taken the liberty of attaching an amendment for the Committee's consideration which would direct the Commission to address certain considerations from LD 1962 within the context of the open Chapter 815 rulemaking.

Thank you for your time today. I'm happy to take any questions.

Respectfully submitted,

**Resolve, to Direct the Public Utilities Commission to Amend its Rules to Prohibit Certain Utility Disconnections**

**Emergency preamble.** Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

**Whereas,** Rule Chapter 815 of the Public Utilities Commission prescribes the circumstances under which a transmission and distribution utility or a gas utility may disconnect service to a residential customer; and

**Whereas,** immediate enactment of this resolve is necessary to implement additional customer disconnection provisions prior to further extreme weather events; and

**Whereas,** in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore, be it

**Sec. 1. Public Utilities Commission to amend its rules governing utility disconnections.**

**Resolved:** That the Public Utilities Commission shall amend Chapter 815 of its rules as follows:

1. Prohibit disconnection of residential service by a transmission and distribution utility or by a gas utility during extreme weather or temperature conditions, including extreme heat or humidity. The rules must utilize objective, verifiable standards of determining extreme weather or temperature conditions, such as reference to a warning issued by the National Weather Service. The rules must provide a transmission and distribution utility or a gas utility and customers of those utilities with clear guidance around when service may not be disconnected with regard to the timing and duration of the extreme weather or temperature conditions.

2. Prohibit disconnection of residential service by a transmission and distribution utility or by a gas utility to a customer of that utility solely for the reason that the customer has accrued an arrearage to the utility in an amount less than \$100.

3. Prohibit a transmission and distribution utility or a gas utility from any requirement that a residential customer enrolled in a qualified low income assistance program pay a security deposit in connection with the restoration of service after a disconnection of service for non-payment.

**Sec. 2. Opportunities for maximizing customer eligibility for existing financial assistance programs.** The Public Utilities Commission shall study opportunities for maximizing eligibility of ratepayers for existing financial assistance programs and communicate those opportunities to the Joint Standing Committee on Energy, Utilities and Technology by July 1, 2024.

**SUMMARY**

This amendment adds an emergency preamble. This amendment requires the Public Utilities Commission to amend its rules in Chapter 815 to prohibit transmission and distribution utilities and gas utilities from:

Proposed Amendment  
LD 1962

1. Disconnecting residential service during extreme weather and temperature events as determined by an objective source, such as the National Weather Service;
2. Disconnecting residential service when the customer has an arrearage of under \$100; and
3. Charging a residential customer a security deposit when the customer is enrolled in qualified low income assistance program.

The amendment also directs the Public Utilities Commission to study opportunities for maximizing eligibility of ratepayers for existing financial assistance programs.