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**Testimony of the Maine Public Utilities Commission**  
**Neither For Nor Against**  
**LD 1962, An Act to Limit Utility Shut Offs**

January 25, 2024

Senator Lawrence, Representative Zeigler, and Distinguished Members of the Joint Standing Committee on Energy, Utilities, and Technology (Committee), my name is Deirdre Schneider, testifying neither for nor against the sponsor's amendment to LD 1962, An Act to Limit Utility Shut Offs on behalf of the Public Utilities Commission (Commission).

The sponsor's amendment proposes several changes relating to the disconnection of utility service for electric utility customers and to a limited extent, gas utility customers, and includes affordability of rates for customers as a regulatory purpose for Title 35-A. While the Commission appreciates the intent of the amendment and is acutely aware of the challenges people are facing with ever increasing prices for all essentials including utility bills, we have concerns with the changes as proposed.

Section 1 of the amendment amends section 101 of Title 35-A to state that the basic purpose of the regulatory system as it applies to public utilities is to ensure that the rates of public utilities subject to rate regulation are affordable. Traditionally, when engaging in rate regulation the Commission has aimed to achieve just and reasonable rates. In doing so, the Commission always tries to balance keeping rates as low as possible with the need for necessary investments, meeting statutory directives to promote renewable energy and beneficial electrification and facilitating the achievement of the State's greenhouse gas emissions reduction levels.<sup>1</sup> By adding affordable to this section, without defining what is specifically meant by affordable, it implies that the rates may need to be lower than what is achieved through a just and reasonable rate analysis. This change could have broad implications and could be in direct conflict with other provisions that direct the Commission to take certain actions that often result in ratepayer costs (for example energy procurements). It is important to note that the Commission does address affordability in its proceedings related to the electric low-income assistance program (LIAP) as well as the individual low-income assistance programs offered by each of Maine's four gas utilities. These programs are designed to make individual customer bills more affordable.

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<sup>1</sup> An example of the Commission's analysis around affordability can be found in Docket 2022-00025, where the Commission rejected a proposed Stipulation signed by Summit Natural Gas of Maine, Inc, the Office of the Public Advocate, Backyard Farms LLC, Sappi North America, Inc., Huhtamaki, Inc., Competitive Energy Services, LLC, and the Industrial Energy Consumers Group in part because of concerns about the impact of the proposed increase to rates of approximately 60% over a 3.5-year period. (Order dated January 27, 2023).

Section 2 provides that Commission rules must prohibit an electric and gas utility from terminating or disconnecting service during extreme weather or temperature conditions, including during extreme heat or humidity and may only allow for the disconnection of service for an unpaid utility bill that is more than \$225. Commission rule, chapter 815 currently prohibits a gas or electric utility from disconnecting service between November 15<sup>th</sup> and April 15<sup>th</sup> without Commission approval.<sup>2</sup> It is unclear if the prohibition proposed in LD 1962 is in addition to the current prohibition or replaces the current prohibition. Furthermore, it is unclear if it would represent an absolute prohibition from disconnection during these periods if circumstances warranted (for example a safety issue). It is also unclear how “extreme” would be defined and if the Commission would be required to make some sort of declaration during these extreme weather or temperature conditions, so utilities were on notice that they were prohibited from terminating or disconnecting service.

Additionally, statutory prohibitions, including the prohibition on disconnecting service, unless a customer is behind in payments by more than \$225, is adding further complexity to the process to address unpaid bills. This may result in customers getting further behind on their bills and making their ability to get caught up, get into a workable payment arrangement, or accessing assistance when available insurmountable. It is best to address payment issues as early as possible because there are more options available when the amount owed is low.

Section 3 would prohibit a transmission and distribution utility that terminates or disconnects utility service due to an unpaid utility bill for a residential customer who is receiving assistance through LIAP or LIHEAP from charging a restoration or reconnection fee or from requiring a security deposit to restore service. It also requires the utility to waive any late fees that were accrued prior to the service disruption.

Lastly, section 4 prohibits a transmission and distribution utility from disconnecting utility service to a residential customer for unpaid bills remotely, unless the utility has made an in-person visit to the premises to attempt in-person contact.

In relation to sections 2 through 4 of the amendment the Commission is concerned with the costs associated with these changes. Any costs incurred as a result of these changes, would be costs that will be recovered through ratepayers. The Commission is especially concerned with the impacts of these increased costs on those ratepayers that may be struggling to pay their bills but are not qualified for any assistance programs. There is ever increasing pressure on this segment of the population, but there are few if any resources available to provide any relief.

I would be happy to answer any questions or provide additional information for the work session.

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<sup>2</sup> 35-A MRSA § 718 also references the same winter disconnection period as it applies to electric utility customers.