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February 6, 2025

To: Senator Lawrence, Representative Sachs, and Members of the Committee for Energy Utilities and Technology

Re: Testimony in Opposition to L.C. 243, An Act to Authorize the Public Utilities Commission to Approve Rate Adjustments for Low-income Water Utilities Ratepayers

Dear Senator Lawrence, Representative Sachs and Members of the Committee on Energy, Utilities and Technology, thank you for the opportunity to submit testimony today in opposition of LD 241.

Wiscasset Water District is a small consumer owned water utility that provides water service to 760 customers in a small portion of the Towns of Woolwich, Edgecomb and the Town of Wiscasset. The district is also members of the Five Rivers Regional Water Council that is made up of the water utilities that serve part or all of Brunswick, Topsham, Bath, West Bath, Woolwich, Damariscotta, Wiscasset, Edgecomb, Newcastle, Boothbay, Boothbay Harbor, Southport, Bowdoinham, Bowdoin, Richmond, Gardiner, Farmingdale, Randolph, Chelsea, Pittston and Hallowell. These utilities work diligently together to ensure the highest level of service and quality water at the most cost-efficient manner possible. We also look to the future to ensure a reliable and safe regional water system is in place that will address the demands of all customers.

The State of Maine has 152 public water utilities, most of which are consumer owned and governed by locally elected/appointed Board of Trustees. These boards are charged with the responsibility of the financial and managerial operations of these utilities. The responsibility to ensure safe, reliable, and cost-effective service is not taken lightly. These officials go to the same stores, school, and other local events as the customers of the utility and share the same burdens and hear directly for the utility's customers. The trustees and staff are the front-line individuals that work directly with customers on many issues, one of which is meeting the financial obligations of the service they receive, through the development of payment arrangements as outlined in the rules and regulations of the Public Utilities Commission.

I appreciate the effort and intent of this proposal offered by the former Public Advocate and the few select utilities invited to participate in the discussions that led us here today. Unfortunately, I must oppose bill as presented. I feel that there are unintended consequences that will increase the operational expense to utilities to support such a program, such as increase financial tracking, program oversight to name just a few. Many utilities would lack the capacity to implement such a program as well as potentially lack the diverse customer base to support such an initiative.

The bill states that this would not be a mandatory program and would be an elective system designed and implemented by the utility and allow the Maine Public Utilities Commission the ability to approve such a program within a utilities rate structure. Utilities currently have that capability as proven by the Portland Water District implementing such a program years ago. However, if in the course of a rate proceeding or a potential customer complaint the Maine Public Utilities Commission may have to require a utility to implement such a program due to this proposed legislation, hence taking away the voluntary nature or the original intent due to the current laws, rules and regulation the PUC must enforce.

This proposal also removes from the current utility regulations regarding rates the component of “just and reasonable” consumer owned utilities do not operate at a profit, the budget and operations for many utilities are not large enough to support such a program. This also would require one class of customer to subsidize another, which is contrary to the level and fair implementation of rates across all customer classes. The language of the bill would shift the financial burden onto commercial, industrial, and governmental customers as well as increases within public fire protection charges. Currently there is some level of uniformity across all water utilities in the implementation of rates; the introduction of such a program would create some disparity across the industry in how rates are structured and implemented.

There are currently various programs across the State that currently provide such a service. As previously stated, utilities lack the resources and are not in the business of determining an individual’s financial eligibility for such a program, its also puts utility staff in the awkward position of making such determinations regarding their own neighbors. Utilities already routinely make referrals to customers in need of further assistance beyond a payment arrangement.

Maine water utilities work daily to provide a quality product in the most economical manner, while meeting all regulatory requirements and customer needs. The potential addition of such a program would further that burden and in turn increase the operational expense which would also in crease the financial burden to the customers we are serving. Rather than implement a new program, I would recommend looking at current programs that are in place and operating and further their mission of assistance to low-income customers. I would encourage the Committee to vote LD 241 as amended, ought NOT to pass.

Thank you for your time and consideration,

Chris Cossette
Superintendent