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Testimony NFNA
LD 301, “An Act to Allow the PUC to Establish Performance-based Metrics and Rate-adjustment Mechanisms for a Public Utility in Any Proceeding”

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

My name is Heather Sanborn, here today as Public Advocate, to testify NFNA on LD 301, “An Act to Allow the PUC to Establish Performance-based Metrics and Rate-adjustment Mechanisms for a Public Utility in Any Proceeding.”

This bill would enable the PUC to incorporate performance-based metrics and rate adjustment mechanisms for a utility in any proceeding. This provision would allow the PUC to adopt these mechanisms outside a typical rate case.

Currently, alternative rate adjustment mechanisms for electric transmission and distribution utilities and gas utilities are governed by Title 35-A sections 3195 and 4706. To ensure that the starting point for a new or renewal of existing alternative rate adjustment mechanisms are just and reasonable, these sections require the PUC to conduct a rate case proceeding in which revenue requirements and earnings are examined. Rate adjustment mechanisms for water utilities are governed by Title 35-A, section 6102-A and the authority granted there is more limited in its scope.

The bill would extend the availability of these mechanisms to “any proceeding.” We believe the bill should specify that performance-based metrics and rate-adjustment mechanisms must be adopted through an **adjudicatory** proceeding in which the PUC is required to make a finding that the starting point rates are just and reasonable.

Thank you for your time, attention, and consideration of this testimony. The Office of the Public Advocate looks forward to working with the Committee on LD 301 and will be available if requested for the work session to assist the Committee in its consideration of this bill.

Respectfully submitted,

Heather Sanborn
Public Advocate