



STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

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**Testimony of the Maine Public Utilities Commission**

**Neither For Nor Against**

**LD 1080, An Act Prohibiting Public Utilities from Requiring Deposits Based Solely on a Residential Customer's Income**

April 2, 2025

Senator Lawrence, Representative Sachs, and Distinguished Members of the Joint Standing Committee on Energy, Utilities, and Technology (Committee), my name is Deirdre Schneider, testifying neither for nor against LD 1080, An Act Prohibiting Public Utilities from Requiring Deposits Based Solely on a Residential Customer's Income on behalf of the Public Utilities Commission (Commission).

LD 1080 would prohibit a public utility from requiring a deposit from an applicant for service based solely on the applicant's income. It requires the Commission to adopt rules related to this prohibition and requires that rulemaking to be initiated by October 1, 2025.

Current law allows a public utility to require a deposit of a residential customer if there is proof that the customer is likely to be a credit risk or to damage the property of the utility. The Commission's consumer protection rules for utilities prescribe the situations under which a utility can require a deposit from an applicant for service and from existing customers.<sup>1</sup> The Commission's rules strive to achieve a balance between ensuring that all people have access to utility services and protecting all ratepayers from costs associated with bad debt.

It is our understanding that the proof of income provision is not often used by utilities as a factor requiring a deposit; therefore, the Commission believes that the changes proposed in LD 1080 would have a limited impact on potential bad debt. The Commission has one suggestion for the Committee's consideration. The bill requires the Commission to initiate rulemaking by October 1, 2025. In recent years the effective date for bills enacted in the first session has been after October 1<sup>st</sup>. In order to avoid any date conflicts if enacted, the Commission is suggesting the language below.

**Sec. 2. Public Utilities Commission to adopt rules.** Within 30 days after the effective date of this Act, The the Public Utilities Commission shall initiate rulemaking to implement the Maine Revised Statutes, Title 35-A, 17 section 705, subsection 1, as amended by this Act, ~~no later than~~ October 1, 2025.

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

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<sup>1</sup> Chapter 815 applies to electric and gas utility customers and Chapter 660 applies to water utility customers (see attached).

## **Chapter 815, Section 7**

### **7. DEPOSITS FOR APPLICANTS AND CUSTOMERS**

#### **A. Residential Applicants**

A Utility may demand a Deposit from a residential Applicant only if one or more of the following circumstances apply:

1. An account balance for residential Utility service incurred in Maine is unpaid at the time that the Applicant requests service. The amount must be either:
  - a. for service provided within the past six years from the Utility from whom the Applicant requests service; or
  - b. for Residential Utility Service provided by any Utility within the past 12 months.
2. An unpaid, undisputed Account Balance for residential Utility service provided in Maine within the past six years was not paid until after the Utility obtained a court judgment.
3. The Applicant was disconnected for nonpayment of an undisputed Bill by any Utility within the past 12 months.
4. The Applicant was disconnected for unauthorized use or theft of service by any Utility within the past 12 months.
5. The Applicant entered into a plan of repayment under Chapter 13 of the Federal Bankruptcy Code and the Bankruptcy Court dismissed the plan for failure to comply with its terms within the past six years.
6. The Applicant has no source of income sufficient to pay the cost of Utility service.

Notwithstanding the other provisions in this subsection, a Utility may not demand a Deposit from an Applicant who submits to the Utility an enforceable Protection from Abuse Order.

## **Chapter 660, Section 7**

### **§ 7 DEPOSITS FOR APPLICANTS AND CUSTOMERS**

#### **A. Residential Applicants**

A utility may demand a deposit from a residential applicant only if one or more of the following circumstances apply:

1. An undisputed account balance for residential utility service incurred in Maine is unpaid at the time that the applicant requests service. The unpaid balance must be either:
  - a. for service provided by the utility from whom the applicant requests service within the previous six years; or
  - b. for residential utility service provided by any utility within the previous 12 months.
2. An unpaid, undisputed account balance for residential utility service provided in Maine within the previous six years was not paid until after the utility obtained a court judgment.
3. The applicant was disconnected for nonpayment of an undisputed bill by any utility within the previous 12 months.
4. The applicant was disconnected for unauthorized use or theft of service by any utility within the previous 12 months.
5. The applicant entered into a plan of repayment under Chapter 13 of the Federal Bankruptcy Act and the Bankruptcy Court dismissed the plan for failure to comply with its terms within the previous six years.
6. The applicant has no source of income sufficient to pay the cost of utility service.