

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

Senator Lawrence

Representative Sachs

Members of the Energy, Utilities and Technology Committee

My name is Debra Hart and I am a resident of Manchester, Maine. I represent the Dirigo Electric Cooperative Companies, which include Van Buren Light & Power, Houlton Water Company, Eastern Maine Electric Cooperative, Kennebunk Light & Power District, Madison Electric Works, Brunswick Landing Electric Utility, Fox Island Electric Cooperative, and Isle Au Haut. We testify neither for nor against LD 1080.

The Commission's Rule Chapter 815 sets the conditions a utility must follow for residential applicants for utility service and requires the utility to furnish proof to a customer that they are likely to be a credit risk to require a deposit. This bill would not allow a utility to base such a determination ***solely on the applicant's income***. When a new 'applicant' comes in seeking utility service, there is often little else you CAN base a deposit on OTHER than income and the COUs feel there are instances where it is entirely appropriate to have the ability to ask for 'some' proof that an 'applicant' has some ability to pay for utility service, in whatever form that may be.

This bill would take away one tool in the toolbox and the COUs feel it leaves them little else to use as a security against potential bad debt. In some cases, customers can move from one property to another, and then potentially become 'an applicant for utility service again' and apply for service at another property. If it falls outside of the 30 calendar days, they would be unable to ask for a deposit based on the 'applicant's income', since you could argue they are no longer a customer but would be a new applicant.

Utilities must access whatever information they have available to assess whether an applicant is able to pay. Bad debt not only puts the customer at risk of disconnection but has negative impacts for the utility and other ratepayers so it is important to make sure utility customers are able to meet their obligations to pay for utility service or get the necessary assistance to pay for those services.

Thank you for your time and attention. I'd be happy to answer any questions or provide you with any additional information you request.