



An Avangrid company

April 2, 2025

Testimony on behalf of Central Maine Power Company Neither For Nor Against

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 Joint Standing Committee on Energy, Utilities, and Technology, my name is Kathleen Newman, Vice President for Government Affairs for Central Maine Power Company, submitting testimony neither for nor against LD 1080: An Act Prohibiting Public Utilities from Requiring Deposits Based Solely on a Residential Customer's Income.

Chapter 815 of the Commission's rules regarding Consumer Protection Standards outlines when a deposit can be required by residential customers. These rules also include when the deposit would be refunded. Chapter 870 outlines the interest rate to be paid on customer deposits. CMP's processes are aligned to these rules.

The amount of a residential security deposit is determined by the two highest consecutive bills over the previous 12 months incurred at the location. The customer has the option of paying the deposit up front, or to be billed up to three monthly installments - a(50/50 split between upfront and installments). Average security amount is \$330.00.

Once the security deposit is paid by the customer, a monthly interest amount is calculated and applied on the customer's monthly bill. The security deposit interest rate for 2025, as determined pursuant to Chapter 870, is 4.09%. The security deposit is refunded to the customer once they pay all bills for 12 consecutive months.

Current alternatives for customers with no income to paying security deposit:

- Third Party Guarantor (active residential customer responsible for the security deposit if service were terminated with a balance owed)
- Surety Bond purchased through an insurance agency – fees range from 1-10% based on credit score, or \$3.30 to \$33.00 on average

For background:

- New residential Contract Accounts created in 2024: 89,000
- Deposits required for any reason: 1,600
- Deposits required for "no income" response: 300

I hope this information is useful as you deliberate this bill. We are happy to provide any additional information you need at the work session.