



TOWN OF MADISON

DEPARTMENT OF ELECTRIC WORKS

6 BUSINESS PARK DR.

MADISON, MAINE 04950

207-696-4401

Chairman Lawrence

Chairwoman Sachs

Members of the Energy, Utilities and Technology Committee

Re: LD 1412, An Act to Increase Contingency Reserves for Maine's Consumer-Owned Electric Transmission and Distribution Utilities

Chairman Lawrence, Chair Sachs and Members of the EUT Committee, my name is Marty Berry and I am a resident of Madison, Maine and the General Manager of Madison Electric, which was founded in 1888 and is a quasi-municipal department serving nearly 2,700 customers in Madison, Anson, Starks and Norridgewock.

This bill, LD 1412 is important to the COUs, including Madison, for us to be able to access funds for projects in a timely fashion from contingency reserve funds. Those funds are our 'cash' reserves if you will, and they are used for things we didn't necessarily plan for like replacing an expensive piece of equipment that was damaged or an unusually harsh weather that went on for a longer than expected time. MEW's annual operating expense was roughly \$5.6 million in 2024. Under the current statutory language, MEW is limited to approximately \$720,000 in contingency reserves. This equates to only 13%, or 46 days, of operating expenses in reserves because purchase power is excluded from the equation.

As you know, COUs are governed by boards and those boards take their roles in overseeing the utilities' finances seriously, so this increase is by no means an avenue to spend funds recklessly, but rather to have the ability to act more quickly when unforeseen events happen. For these reasons, we would appreciate your support of this legislation.

Thank you for your time and attention. I'd be happy to answer any questions you may have.

Sincerely,

Martin Berry

Superintendent