



Celebrating 100 years

**MWUA**

MAINE WATER UTILITIES ASSOCIATION

Organized in 1925



May 15, 2025

Honorable Mark Lawrence, Senate Chair  
Honorable Melanie Sachs, House Chair  
Joint Legislative Committee on Energy, Utilities, and Technology  
100 State House Station  
Augusta, ME 04333

**Re: *Testimony in Opposition to LD 1949, An Act Regarding Energy Fairness***

Dear Senator Lawrence, Representative Sachs, and Members of the Committee on Energy, Utilities and Technology:

The Maine Water Utilities Association (MWUA) appreciates the opportunity to provide testimony in opposition to LD 1949. According to the title of this bill, it relates to energy. However, the words of the bill apply to all utilities in the state, including water utilities. If this bill were to pass as drafted, it would add numerous redundant and conflicting consumer protection requirements that are very well addressed by current law, and we are further concerned that changing disconnection requirements could ultimately lead to greater financial harm to utility customers.

**About MWUA.** MWUA is a nonprofit association based in Augusta that provides support for water works professionals throughout the State of Maine in advocating for safe drinking water through educational and technical programming as well as advocacy on the local, state, and national level. The Association was formed in 1925 and consists of approximately 86 utility and 60 associate members. Maine's water utilities provide service to approximately 700,000 Maine residents, thousands of Maine businesses and public institutions, and millions of visitors to Maine every year.

**Discussion.** Part A of LD 1949 establishes detailed statutory requirements related to how all utilities treat delinquent accounts, including the process of disconnection. However, in the case of water utilities, the Maine PUC has developed ***Chapter 660, Consumer Protection Standards for Water Utilities***, which is a 43-page detailed set of requirements governing applications for water service, customer deposits, billing and payment standards, payment arrangements, disconnection requirements, reconnection of service standards, and dispute resolution procedures. These rules have been carefully developed over many years with extensive stakeholder input. They reflect a careful balance between protecting consumers who are delinquent in their payments, and protecting all other customers from financial harm caused when customers take utility service but do not pay their bills. Given the level of care set forth in the current rules, we do not advise potentially significant changes that we have had less than a week to review and consider. We are also concerned that the proposed standards upset the delicate balance achieved in Chapter 660 and could result in more bad debt costs being imposed on other water utility consumers, which would raise water rates for all customers.

More specifically, Part A of the bill prohibits disconnection of water on residential customers for non-payment if the customer or member of their household is 65 years of age or older, or younger than 12 months old, or is a dependent or incapacitated adult if a customer is enrolled in or has begun the process of enrolling in an assistance program administered by the Commission or a state agency, even if they have been denied enrollment in such a program. In our view, requiring a utility to collect this information is



burdensome, particularly for water utilities which are mostly small and lean organizations. Additionally, it is not clear how water utilities could collect such information, particularly since the software packages currently utilized by water utilities are in many cases not able to collect or track this information. With regard to the proposed requirement for ongoing monthly statements, this would also be burdensome. Although water utilities do maintain lists of available assistance resources, water utilities certainly do not maintain any instructions on how to apply for assistance. Those sorts of instructions are maintained and provided by the assistance organizations themselves.

With regard to Part B of the bill, it establishes limitations on rate recovery associated with certain categories of expenses. Already, consumer-owned water utilities have been exempted from several of the areas addressed by this bill. That is because consumer-owned water utilities do not have shareholders and there are no shareholders from whom to recover any costs that are not recoverable. So, for example, prohibiting consumer-owned water utilities from recovering fines and penalties in rates would mean that there would not be revenues available to pay fines or penalties – there is no other source of revenue other than the consumers themselves. The bill also prohibits recovery of costs associated with travel, lodging and food for officers and members of a public utility board or the board of an affiliated interest. This is a short-sighted provision as many water utilities encourage board members to attend conferences and training, legislative hearings, and professional association meetings. These expenses promote good and competent governance, and they have always been recoverable through rates. Finally, we would be greatly concerned about adopted into statute any provision that set a fixed level of rate recovery for participating in a rate case. Such a provision would effectively amount to a denial of a utility's ability to hire and receive legal counsel, which is problematic on many levels. And fixing a cost in statute is the very definition of arbitrary. We believe the current system of evaluating the prudence of utility expenses on a case-by-case basis is the appropriate system, and that should not be changed.

Parts C and D of the bill include new reporting requirements that would apply to all utilities in Maine, including small water utilities with limited staff, few customers, and who struggle to maintain their governance structure. We are not aware that any of the issues addressed in the reports noted in Parts C or D of the bill have any relevance to water utilities, and we would respectfully urge that they not be applied to water utilities.

Part C of the bill, in particular, would require the PUC to enact a rule requiring quarterly reporting of certain types of information. Pursuant to Chapter 660 of the Rules of the Public Utilities Commission, water utilities are required to track and report credit and collection information annually to the PUC. The information is used to document, track and evaluate the effectiveness of residential and non-residential credit and collection programs. The additional requirements proposed in this bill would not add to the effectiveness of the reporting but would be very burdensome to collect and report.

Part D adds and implements environmental justice requirements. We are not sure what impact this would have. It appears that it may require shifting the burden of paying for utility service in a manner that we have never seen before in Maine. Please be aware that any lowering of water bills for a sector of the population would require increasing the burden on others. Please also note that most water utilities are very localized, meaning the entire customer base of a water utility may be low income or otherwise disadvantaged under the provisions of this section. Our customer bases are not broad or diverse enough to shift burdens between sectors of the population.

**Conclusion.** For these reasons, the Maine Water Utilities Association urges the Committee to vote Ought Not to Pass on LD 1949, or at minimum carve water utilities out of the scope of the bill. Thank you for the opportunity to provide testimony, and I would be happy to answer any questions from the Committee.

Letter from MWUA re LD 1949  
May 15, 2025  
Page 3

Thank you for your consideration,

A handwritten signature in black ink, appearing to read "David Parent", with a stylized, flowing script.

David Parent  
MWUA Legislative & Regulatory Affairs Committee

cc: James I. Cohen, Verrill Dana, LLP, Legislative Counsel