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March 3, 2021

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

RE: ***Proposed Amendment to LD 251 An Act Regarding Public Utility Assessments, Fees and Penalties***

Dear Senator Lawrence and Representative Berry:

Following the public hearing, our Association gave thought to how best to modify the original bill to address the concerns we raised in our testimony. We considered not only the need to reduce the potential volatility of PUC and OPA assessments on water utilities, but we also considered the importance of simplicity and workability. In this regard, we prepared the attached amendment, which has also been shared with the bill sponsor, the Maine Rural Water Association, and representatives of the PUC and OPA. Briefly, our amendment would do the following:

1. **Assessments.** Our amendment proposes a three-year rolling average as the best way to mitigate against assessment volatility under the bill.
2. **Reorganization fees.** Our proposal is that the reorganization fee not be set at a percentage of valuation of a “resulting entity,” which is ambiguous and might not have a relationship to costs, and instead should be set as a dollar amount (like current law) based on anticipated additional costs, the cap on which we propose to double from \$50,000 to \$100,000.
3. **Increasing fees and penalties.** Rather than using CPI, we suggested using costs and “deterrent value” as the best approach for determining whether or not to increase fees and penalties.

Subsequently, we saw the memorandum from the PUC to the Committee sent earlier today, and our Association has no objections to the approaches outlined in the Commission’s memo.

We appreciate the opportunity to provide this information, and we would be happy to answer questions or provide further information upon request.

Sincerely,

David Parent

David Parent, Sanford Water District
MWUA Legislative & Regulatory Committee

cc: Bruce Berger, Executive Director
Roger Crouse, Chair, MWUA Legislative & Regulatory Committee
James I. Cohen, Verrill Dana, LLP, Legislative Counsel