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**Testimony of Rep. Seth Berry
Before the Joint Standing Committee on Energy, Utilities and Technology
Presenting LD 251, An Act Regarding Public Utility Assessments, Fees and Penalties**

Senator Lawrence and fellow members of the Energy, Utilities and Technology Committee, my name is Seth Berry and I represent House District 55: Bowdoin, Bowdoinham, most of Richmond and beautiful Swan Island on the Kennebec. I'm pleased to present **LD 251, An Act Regarding Public Utility Assessments, Fees and Penalties**.

If this bill seems familiar to some of you, that's because the 129th Legislature was ready to pass this same piece of legislation but was derailed by all the events related to the pandemic. What's before you today is essentially the bipartisan committee report that drew the support of 10 members of the committee. For those of you who were then and are still serving on the committee, I remain grateful for that vote and hope we can do it one more time.

LD 251 provides updated funding and better incentives to protect Maine's utility customers, and the natural resources we depend on, from abuse by multinational monopolies. It better protects our rights to affordable clean water and clean energy, as well as other necessities like rural telephone service.

How?

It applies basic "cost causation" principles: those who cause the costs should pay for them.

Some background: The Public Utilities Commission and the Office of the Public Advocate each fund the costs of their regulatory activity through a mix of fees, penalties and assessments. That last piece, assessments, is an extra charge on our utility bills.

What we've seen over the years is that the PUC and the Office of the Public Advocate are increasingly relying on the assessment piece of that mix as the fees and penalties fail to keep up with both inflation and the increasing complexity of the work the PUC and OPA are asked to do.

This cost shift is bad for our ratepayers. At present, low-income Mainers already pay one of the highest energy cost burdens in the nation - \$1 in \$4 on average.

District 55 Bowdoin, Bowdoinham and Richmond (part), plus the unorganized territory of Perkins Island Township

In the T&D world at least, the majority of the work that the PUC and the OPA take on involves investor-owned utilities. And lately, IOUs are expanding in the water sector. Again, as that work has increased in volume and complexity, nonprofit utilities are still being required to bear an equal share of that burden. That's despite the fact that nonprofit utilities tend to be smaller, require less regulation and require less complicated regulation. Those nonprofit utilities have to make up the costs by passing it onto ratepayers.

A key example of this happened in York County. When the Maine Water Company had a major-restructuring in Saco-Biddeford, a sudden and considerable cost due to the necessary regulatory actions were put upon small, cash-strapped municipal water utilities and their customers.

Other recent examples where our present fee and penalty structure caused extra burdens for ratepayers include the permitting of the CMP Corridor, as well as mergers or acquisitions of Bangor Hydro by Emera and then by Versant, of CMP by Energy East and then Iberdrola and then Avangrid/Iberdrola, and then of Verizon by Fairpoint and then Consolidated.

So here is the big picture: Maine's captive utility customers, meaning you and I, are forced to pay more to help distant, multinational investors apply for permits and do restructuring deals to benefit their business.

What the previous Legislature was getting ready to do last spring, in passing a bipartisan committee report that was identical to LD 251, was to make sure those who were responsible for the increased costs of regulation would once again be the ones to pay those costs.

LD 251 also ensures future legislatures are made aware of the need to enact further updates to better protect all customers - especially those most vulnerable and low-income.

Passing this legislation is important to help the PUC and OPA protect Maine customers and our Maine climate goals in an increasingly complex utility world. Our electricity, water and other basic human rights and necessities must be kept affordable. They are a public good, not a private profit center. And the utilities that provide this public good are key to our climate future. If we fail to restore a basic measure of fairness in how we pay basic regulatory costs, it will be that much harder to make a just transition for Maine ratepayers as we continue to upgrade and modernize our utility infrastructure.

Thank you for the opportunity to testify. I would be happy to answer any questions.