

To: Senator Lawrence, Representative Berry, and Members of the Committee for Energy, Utilities, and Technology

From: Bradley Sawyer, Director of Government Affairs

Date: February 23, 2021

Re: Testimony Neither For Nor Against L.D. 251, An Act Regarding Public Utility Assessments, Fees and Penalties

Senator Lawrence, Representative Berry, and Members of the Joint Committee for Energy Utilities and Technology, thank you for the opportunity to speak with you today. My name is Brad Sawyer, and I am the Director of Government Affairs for the Maine Rural Water Association.

Rural Water's membership has concerns on aspects of L.D. 251 that primarily relate to costs incurred by water utilities. Adjusting fees across the board solely on the basis that they have not been tweaked in the past five years is an unnecessary step at a time when utilities and ratepayers alike are being squeezed from every side. With new regulation on contaminants likely coming from the State and Federal governments, coupled with increased costs in labor, materials, and everything else it takes to run a utility, many small water providers will struggle to pay their bills without a significant rate increase. This means more money coming out of the pockets of your constituents at a time when so many are struggling. If the PUC truly needs these funds to maintain their current charge, we ask them to bring the issue forward with specific and measured data to justify the increase.

Dividing the assessments between consumer-owned and investor-owned utilities is an idea we cannot yet fully support, or rally against, because we do not have the data to show where the burden lies when averaged out among many years. Discussions in our industry have been happening for a few years regarding the assessments levied by the PUC and OPA after a jump of over 500% between the years of 2018 and 2019. This was obviously startling and frustrating to utilities and was largely caused by a reorganization of an investor-owned water utility. Just as our members look to stabilize rates for customers and not shock them with huge jumps, we hope regulators endeavor to make the same efforts regarding bills sent to utilities. Unfortunately, many utilities in Maine do not currently have confidence in that being the case.

Should this legislation proceed we urge this committee to attach an amendment that would require the PUC and OPA to notify utilities at least 90 days in advance of a predicted assessment increase of 25% or more. While the exact percentage increase may not be known 90 days in advance, we believe that if a significant increase is on the horizon the PUC and OPA will have an idea of what is coming.

Maine Rural Water welcomes the opportunity to work with this committee, the PUC, OPA, and any other interested parties regarding this legislation. If you have any questions, please do not hesitate to contact me at Bradley.Sawyer@MaineRWA.org or 207-737-9014.