

Testimony in Opposition

LD 1708 An Act to An Act to Create the Pine Tree Power Company, a Nonprofit Utility, To Deliver Lower Rates, Reliability and Local Control for Maine Energy Independence

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

My name is Tim Burgess and I am an Assistant Business Manager for IBEW Local 104. IBEW Local 104 is opposed to LD 1708. This bill is bad for customers.

I have over 32 years of experience in the electrical industry. I have worked full time for 3 different utilities and assisted in storm restoration efforts at more utilities than I can count, in New England, in several other East Coast states and in Canada.

Generally speaking, my experience has been that Municipal or Consumer Owned Utilities (COU) are “fair-weather entities”; typically, these entities keep lower stock levels of poles, transformers, etc. in order to ensure cost savings which in turn, even on the best of days, creates a “robbing Peter to pay Paul” situation. And when a major storm hits, you have an absolute nightmare on your hands.

Because not everyone reading this has knowledge of day-to-day utility operations or electrical linework, I will give an example of how this “robbing Peter to pay Paul” theory relates to everyday life.

You own two vehicles, but you believe that you will never have to use both vehicles at the same time. In order to save money, you only buy enough tires and wheels for one vehicle, and on the chance that you need the other one, you just simply take the time to swap out the tires, enabling one vehicle and disabling the other.

While this may sound laughable, I have witnessed situations very similar to this in the Consumer Owned Utility world.

Keep in mind, Maine is the most heavily treed state in the country and as you all know, winter weather in Maine can be severe. Trees, wind, snow and ice all work against keeping the power on.

Trees can be trimmed more often if the owner of the property they sit on agrees to it. More tree wire can be installed to help minimize outages. But both options come at an increased cost. These facts will not change by forcing a change in ownership of Maine utilities.

In my experience the amount of planning, logistics and financial resources required to support the influx of up to 500 additional line and tree trimming crews (ice storm 98) would not be readily available from a state-run power authority.

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Nebraska has a state-run power authority and they rank 44th in grid modernization; Maine ranks 25th.

Back in the late nineties, we went through utility deregulation – separating generation from delivery. Deregulation was supposed to create competition and lower electricity rates. But that’s NOT what happened. Instead, deregulation created larger, leaner regional Utilities.

Deregulation was a “jump from the pan to the fire situation.” In my opinion, creating a Maine Power Authority is the same – trading one perceived problem for others, yet unknown.

As a Maine rate-payer with 32 years of experience in the electrical industry, I urge you to oppose LD 1708 and not repeat “jumping from the pan to the fire” as happened with deregulation.

Thank you for considering my comments on this important legislation.

Sincerely,

Tim Burgess
Assistant Business Manager
IBEW Local 104