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STATE OF MAINE
 ONE HUNDRED AND TWENTY-SEVENTH LEGISLATURE
 COMMITTEE ON ENERGY, UTILITIES AND TECHNOLOGY

TO: Senator James Hamper, Senate Chair
 Representative Margaret Rotundo, House Speaker
 Joint Standing Committee on Appropriations and Financial Affairs

FROM: David Woodsome, Senate Chair *David Woodsome ds*
 Mark N. Dion, House Chair *Mark Dion ds*
 Joint Standing Committee on Energy, Utilities and Technology

DATE: March 23, 2015

RE: Recommendations on LR 1852, An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2016 and June 30, 2017.

Pursuant to Joint Rule 314, the Joint Standing Committee on Energy, Utilities and Technology (EUT Committee) has voted unanimously to approve the initiatives contained in Part A of the Governor's 2016-17 Biennial Budget (LR 1852) that fall within the policy jurisdiction of the EUT Committee.

At the public hearing held on March 12, 2015 there was discussion concerning the initiative to continue the Public Service Coordinator I position at the Office of the Public Advocate, which had been previously created by a financial order to serve as a consumer advisor. LD 237, An Act to Address Recommendations from the Report by the Office of Program Evaluation and Government Accountability Regarding the PUC would establish that position in state statute. The EUT Committee has voted "ought to pass" unanimously on LD 237 and supports this position because it provides a valuable service to residential utility consumers by offering assistance in the navigation and participation in highly technical proceedings at the Public Utilities Commission. This position is also an important resource for consumers simply looking to understand the often complex world of utilities.

Thank you for this opportunity to comment. If you have any questions, please let us know.

cc: Members, Joint Standing Committee on Appropriations and Financial Affairs
 Members, Joint Standing Committee on Energy, Utilities and Technology

Justification:

Revenue from gas assessment is projected to increase.

**EFFICIENCY MAINE TRUST Z100
PROGRAM SUMMARY**

OTHER SPECIAL REVENUE FUNDS	History 2013-14	History 2014-15	2015-16	2016-17
POSITIONS - LEGISLATIVE COUNT	2.000	2.000	2.000	2.000
Personal Services	\$161,295	\$169,464	\$179,751	\$181,381
All Other	\$14,179,836	\$14,404,090	\$1,315,249	\$1,537,869
OTHER SPECIAL REVENUE FUNDS TOTAL	\$14,341,131	\$14,573,554	\$1,495,000	\$1,719,250

EFFICIENCY MAINE TRUST

DEPARTMENT TOTALS

2015-16

2016-17

OTHER SPECIAL REVENUE FUNDS

\$1,495,000

\$1,719,250

DEPARTMENT TOTAL - ALL FUNDS

\$1,495,000

\$1,719,250

Sec. A-26. Appropriations and allocations. The following appropriations and allocations are made.

EXECUTIVE DEPARTMENT

Governor's Energy Office Z122

Initiative: BASELINE BUDGET

	History 2013-14	History 2014-15	2015-16	2016-17
FEDERAL EXPENDITURES FUND				
POSITIONS - LEGISLATIVE COUNT	2.000	2.000	2.000	2.000
Personal Services	\$147,043	\$150,350	\$192,746	\$195,760
All Other	\$1,894,100	\$1,894,100	\$1,894,100	\$1,894,100
FEDERAL EXPENDITURES FUND TOTAL	\$2,041,143	\$2,044,450	\$2,086,846	\$2,089,860
	History 2013-14	History 2014-15	2015-16	2016-17
OTHER SPECIAL REVENUE FUNDS				
POSITIONS - LEGISLATIVE COUNT	1.000	1.000	1.000	1.000
Personal Services	\$123,326	\$131,225	\$120,558	\$121,521
All Other	\$100,000	\$100,000	\$100,000	\$100,000
OTHER SPECIAL REVENUE FUNDS TOTAL	\$223,326	\$231,225	\$220,558	\$221,521

Justification:

The Governor's Office of Energy Independence and Security is established to carry out responsibilities of the State relating to energy resources, planning and development. The fund is non-lapsing.

**GOVERNOR'S ENERGY OFFICE Z122
PROGRAM SUMMARY**

	History 2013-14	History 2014-15	2015-16	2016-17
FEDERAL EXPENDITURES FUND				
POSITIONS - LEGISLATIVE COUNT	2.000	2.000	2.000	2.000
Personal Services	\$147,043	\$150,350	\$192,746	\$195,760
All Other	\$1,894,100	\$1,894,100	\$1,894,100	\$1,894,100
FEDERAL EXPENDITURES FUND TOTAL	\$2,041,143	\$2,044,450	\$2,086,846	\$2,089,860
	History 2013-14	History 2014-15	2015-16	2016-17
OTHER SPECIAL REVENUE FUNDS				
POSITIONS - LEGISLATIVE COUNT	1.000	1.000	1.000	1.000
Personal Services	\$123,326	\$131,225	\$120,558	\$121,521
All Other	\$100,000	\$100,000	\$100,000	\$100,000
OTHER SPECIAL REVENUE FUNDS TOTAL	\$223,326	\$231,225	\$220,558	\$221,521

Public Advocate 0410

Initiative: BASELINE BUDGET

	History 2013-14	History 2014-15	2015-16	2016-17
OTHER SPECIAL REVENUE FUNDS				
POSITIONS - LEGISLATIVE COUNT	8.000	8.000	8.000	8.000
Personal Services	\$979,309	\$1,006,223	\$1,046,110	\$1,027,334
All Other	\$646,185	\$670,437	\$670,437	\$670,437
OTHER SPECIAL REVENUE FUNDS TOTAL	\$1,625,494	\$1,676,660	\$1,716,547	\$1,697,771

Public Advocate 0410

Initiative: Continues one Public Service Coordinator I position previously established by Financial Order 002437 F5 to serve as a Consumer Advisor and provides funding for related All Other.

Ref. #: 1399

Committee Vote:

B-0-In

AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
POSITIONS - LEGISLATIVE COUNT	1.000	1.000
Personal Services	\$102,924	\$101,033
All Other	\$8,825	\$8,825
OTHER SPECIAL REVENUE FUNDS TOTAL	\$111,749	\$109,858

Public Advocate 0410

Initiative: Provides funding for the increased cost of leased space.

Ref. #: 1400

Committee Vote:

B-0-In

AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
All Other	\$2,363	\$4,725
OTHER SPECIAL REVENUE FUNDS TOTAL	\$2,363	\$4,725

Public Advocate 0410

Initiative: Provides funding for one time purchase to replace used printer.

Ref. #: 1401

Committee Vote:

B-0-In

AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
All Other	\$10,000	\$0
OTHER SPECIAL REVENUE FUNDS TOTAL	\$10,000	\$0

**PUBLIC ADVOCATE 0410
PROGRAM SUMMARY**

	History 2013-14	History 2014-15	2015-16	2016-17
OTHER SPECIAL REVENUE FUNDS				
POSITIONS - LEGISLATIVE COUNT	8.000	8.000	9.000	9.000
Personal Services	\$979,309	\$1,006,223	\$1,149,034	\$1,128,367
All Other	\$646,185	\$670,437	\$691,625	\$683,987
OTHER SPECIAL REVENUE FUNDS TOTAL	\$1,625,494	\$1,676,660	\$1,840,659	\$1,812,354

EXECUTIVE DEPARTMENT

DEPARTMENT TOTALS

	2015-16	2016-17
FEDERAL EXPENDITURES FUND	\$2,086,846	\$2,089,860
OTHER SPECIAL REVENUE FUNDS	\$2,061,217	\$2,033,875
DEPARTMENT TOTAL - ALL FUNDS	<u>\$4,148,063</u>	<u>\$4,123,735</u>

Sec. A-62. Appropriations and allocations. The following appropriations and allocations are made.

PUBLIC UTILITIES COMMISSION

Emergency Services Communication Bureau 0994

Initiative: BASELINE BUDGET

	History 2013-14	History 2014-15	2015-16	2016-17
OTHER SPECIAL REVENUE FUNDS				
POSITIONS - LEGISLATIVE COUNT	9.000	9.000	9.000	9.000
Personal Services	\$775,750	\$812,314	\$873,413	\$861,883
All Other	\$7,444,991	\$7,454,575	\$7,454,575	\$7,454,575
OTHER SPECIAL REVENUE FUNDS TOTAL	\$8,220,741	\$8,266,889	\$8,327,988	\$8,316,458

Justification:

The Emergency Services Communication Bureau (ESCB), originally established as a Public Safety Bureau in 1996 and moved to the Public Utilities Commission in 2003, manages the statewide Enhanced 9-1-1 (E9-1-1) system, which is the component of the statewide emergency response system that displays the telephone number and physical location of an E9-1-1 caller to the calltaker at a Public Safety Answering Point (PSAP).

Emergency Services Communication Bureau 0994

Initiative: Reduces funding to align technology expenditures with estimated need.

Ref. #: 2658

Committee Vote: B-0-In AFA Vote: _____

	2015-16	2016-17
OTHER SPECIAL REVENUE FUNDS		
All Other	(\$57,915)	(\$58,589)
OTHER SPECIAL REVENUE FUNDS TOTAL	(\$57,915)	(\$58,589)

Justification:

The implementation of the Next Generation 911 (NG911) system eliminated the need for telephone circuits.

Emergency Services Communication Bureau 0994

Initiative: Eliminates funding for Professional Services by State due to the absorption of costs in other object classes.

Ref. #: 2659

Committee Vote: B-0-In AFA Vote: _____

	2015-16	2016-17
OTHER SPECIAL REVENUE FUNDS		
All Other	(\$27,609)	(\$27,609)
OTHER SPECIAL REVENUE FUNDS TOTAL	(\$27,609)	(\$27,609)

Justification:

The cost of the Orthoimagery aerial photography service is included in the 5300 object class budget. Costs related to the training of Public Service Answering Points(PSAPs) employees are included in the 4900 object class budget.

Emergency Services Communication Bureau 0994

Initiative: Eliminates funding for State Vehicle Operation due to the reduction in the number of vehicles and the absorption of costs in other objects.

Ref. #: 2660

Committee Vote: 13-0-In AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
All Other	(\$17,475)	(\$17,475)
OTHER SPECIAL REVENUE FUNDS TOTAL	<u>(\$17,475)</u>	<u>(\$17,475)</u>

Justification:

In fiscal years 2015-16 and 2016-17, one vehicle leased from Central Fleet Management will be assigned to the Emergency Services Communication Bureau.

Emergency Services Communication Bureau 0994

Initiative: Reduces funding to align expenditures with estimated need resulting from installation of a new 911 system.

Ref. #: 2664

Committee Vote: 13-0-In AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
All Other	(\$1,110,141)	(\$1,097,517)
OTHER SPECIAL REVENUE FUNDS TOTAL	<u>(\$1,110,141)</u>	<u>(\$1,097,517)</u>

Justification:

In 2013, the Public Utilities Commission established a contract with FairPoint Communications for a new 911 system, referred to as Next Generation 911(NG911), to replace the aging E911 system. Implementation of this new system concluded in August 2014. The ongoing monthly service charge for the NG911 is less than the former E911 system charges.

**EMERGENCY SERVICES COMMUNICATION BUREAU 0994
PROGRAM SUMMARY**

	History 2013-14	History 2014-15	2015-16	2016-17
OTHER SPECIAL REVENUE FUNDS				
POSITIONS - LEGISLATIVE COUNT	9.000	9.000	9.000	9.000
Personal Services	\$775,750	\$812,314	\$873,413	\$861,883
All Other	\$7,444,991	\$7,454,575	\$6,241,435	\$6,253,385
OTHER SPECIAL REVENUE FUNDS TOTAL	\$8,220,741	\$8,266,889	\$7,114,848	\$7,115,268

Oversight and Evaluation Fund Z106

Initiative: BASELINE BUDGET

	History 2013-14	History 2014-15	2015-16	2016-17
OTHER SPECIAL REVENUE FUNDS				
All Other	\$20,000	\$20,000	\$20,000	\$20,000
OTHER SPECIAL REVENUE FUNDS TOTAL	\$20,000	\$20,000	\$20,000	\$20,000

Justification:

Public Law 2009, chapter 372 requires the Public Utilities Commission to establish an oversight fund to be used solely to defray the commission's projected cost of overseeing the Efficiency Maine Trust, including but not limited to reviewing and approving the triennial plan and contracting with expert third-party resources to provide technical assistance or impartial evaluation of the performance of energy efficiency programs administered by the trust.

Oversight and Evaluation Fund Z106

Initiative: Provides funding for increased costs related to oversight of the Efficiency Maine Trust.

Ref. #: 2667

Committee Vote: 13-0-10 AFA Vote: _____

	2015-16	2016-17
OTHER SPECIAL REVENUE FUNDS		
All Other	\$232,660	\$232,660
OTHER SPECIAL REVENUE FUNDS TOTAL	\$232,660	\$232,660

Justification:

Maine Revised Statutes Title 35-A, section 10120, subsection 3 provides for the Public Utilities Commission to oversee the Efficiency Maine Trust. Specifically, the Commission shall establish an oversight and evaluation fund to be used solely to defray the Commission's projected costs of oversight of the trust's programs and results, including but not limited to reviewing the trust's calculation of program costs and benefits, measurement and verification procedures and program evaluations and reviewing and approving the triennial plan. This work occurs on an annual basis and the Commission will need to contract with expert 3rd-party resources to review plans, programs and provide technical assistance or impartial evaluation of the performance of energy efficiency programs administered by the trust. The Commission expects the required consulting to be approximately \$250,000 in both fiscal year 2015-16 and fiscal year 2016-17.

**OVERSIGHT AND EVALUATION FUND Z106
PROGRAM SUMMARY**

	History 2013-14	History 2014-15	2015-16	2016-17
OTHER SPECIAL REVENUE FUNDS				
All Other	\$20,000	\$20,000	\$252,660	\$252,660
OTHER SPECIAL REVENUE FUNDS TOTAL	\$20,000	\$20,000	\$252,660	\$252,660

Public Utilities - Administrative Division 0184

Initiative: BASELINE BUDGET

	History 2013-14	History 2014-15	2015-16	2016-17
FEDERAL EXPENDITURES FUND				
All Other	\$50,000	\$50,000	\$50,000	\$50,000
FEDERAL EXPENDITURES FUND TOTAL	\$50,000	\$50,000	\$50,000	\$50,000
	History 2013-14	History 2014-15	2015-16	2016-17
OTHER SPECIAL REVENUE FUNDS				
POSITIONS - LEGISLATIVE COUNT	56.000	56.000	56.000	56.000
POSITIONS - FTE COUNT	0.250	0.250	0.250	0.250
Personal Services	\$5,560,546	\$5,862,642	\$6,261,158	\$6,284,645
All Other	\$4,013,414	\$4,013,502	\$4,013,502	\$4,013,502
OTHER SPECIAL REVENUE FUNDS TOTAL	\$9,573,960	\$9,876,144	\$10,274,660	\$10,298,147

Justification:

The Maine Legislature established the Public Utilities Commission (Commission) in 1913 as a quasi-judicial independent state agency. The Commission has jurisdiction over approximately 600 utility companies and districts that generate approximately \$1 billion a year in electric, telephone, water and gas utility revenues.

Public Utilities - Administrative Division 0184

Initiative: Provides funding in the Personal Services line category in order to charge a portion of one Damage Prevention Investigator position to an annual grant from the United States Department of Transportation. This initiative is funded by a decrease in the All Other line category. The expenditures for the grant award will be adjusted to reflect this change.

Ref. #: 2649

Committee Vote: 13-0-In AFA Vote: _____

	2015-16	2016-17
FEDERAL EXPENDITURES FUND		
Personal Services	\$49,474	\$49,474
All Other	(\$49,474)	(\$49,474)
FEDERAL EXPENDITURES FUND TOTAL	\$0	\$0

Justification:

In fiscal years 2015-16 and 2016-17, the Public Utilities Commission will use federal funds received from the United States Department of Transportation - Pipeline and Hazardous Materials Safety Administration's One Call Grant to cover a portion of one full-time Damage Prevention Investigator. This grant is based on a calendar year and the funds are received once a year.

Public Utilities - Administrative Division 0184

Initiative: Eliminates funding in the Regional Green House Gas Initiative account due to a Public Utilities Commission order directing the Efficiency Maine Trust to distribute the funds directly to Transmission and Distribution Utilities.

Ref. #: 2650

Committee Vote: 13-0-In AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS

All Other

2015-16	2016-17
(\$1,500,000)	(\$1,500,000)
(\$1,500,000)	(\$1,500,000)

OTHER SPECIAL REVENUE FUNDS TOTAL

Justification:

On June 23, 2014, the Public Utilities Commission issued an order, docket number 2013-00487, directing the Efficiency Maine Trust to disburse these Regional Greenhouse Gas Initiative funds directly to Transmission and Distribution utilities (T&Ds). The order in docket number 2013-00487 also directs the T&D utilities to disburse these funds to ratepayers in manner that provides maximum benefit to the Maine economy.

Public Utilities - Administrative Division 0184

Initiative: Provides funding for anticipated revenues in the Prepaid Wireless Fee Fund based on actual revenues received in fiscal year 2013-14.

Ref. #: 2651

Committee Vote: B-O-In

AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS

All Other

2015-16	2016-17
\$635,714	\$635,714
\$635,714	\$635,714

OTHER SPECIAL REVENUE FUNDS TOTAL

Justification:

Maine Revised Statutes, Title 35-A, section 7104-C, subsection 2 directs the State Tax Assessor to collect E-911 surcharge fees, the state universal service fees and the telecommunications education access fees from prepaid wireless transactions and remit these surcharges and fees to the Prepaid Wireless Fee Fund within the Public Utilities Commission. The E-911 surcharge fee is then transferred from the Prepaid Wireless Fee account to the Emergency Services Communications account, and the universal service funds and telecommunications education access fees are then remitted to an independent fiscal agent who administers the funds. The requested adjustments in fiscal year 2015-16 and fiscal year 2016-17 are based on the actual monthly revenues received in fiscal year 2013-2014.

Public Utilities - Administrative Division 0184

Initiative: Provides funding for contracts for third-party investigations and consultations required by Maine Revised Statutes, Title 35-A, section 3132, subsection 2-C.

Ref. #: 2652

Committee Vote: B-O-In

AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS

All Other

2015-16	2016-17
\$303,192	\$303,192
\$303,192	\$303,192

OTHER SPECIAL REVENUE FUNDS TOTAL

Justification:

Maine Revised Statutes, Title 35-A, section 3132, subsection 2-C requires that petitions for approval of proposed transmission lines from Maine electric utilities contain a description of the need for the proposed line and the results of an investigation of non-transmission alternatives (NTAs) by an independent 3rd party. The 3rd party may be the Public Utilities Commission (PUC) or a contractor selected by the PUC. Due to resource constraints, the PUC will use

contractors/consultants to perform this work. In fiscal year 2014-15, the PUC will conduct at least four NTA studies using consultants. The average cost of the studies is approximately \$75,000, for a total of \$300,000. The PUC expects a similar volume of studies in fiscal year 2015-16 and fiscal year 2016-17.

Public Utilities - Administrative Division 0184

Initiative: Provides funding to purchase a subscription service that will supply information to be used to assist with the analysis of utility rate requests.

Ref. #: 2653

Committee Vote: 13-0-In AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
All Other	\$21,729	\$21,729
OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$21,729</u>	<u>\$21,729</u>

Justification:

The Public Utilities Commission will use this subscription service to help analyze utility rate requests to ensure that rates are reasonable as compared to other utilities. Information Handling Services' (IHS) Power Planner Service provides forecasts and analysis needed to anticipate and manage changes in electric and gas utility construction and operation and maintenance (O&M) costs. The service is comprised of two major components, updated quarterly: 1) the construction cost model forecasting the Handy Whitman Indexes of public utility construction, and 2) the O&M model forecasting escalation rates across the uniform system of accounts as defined by Federal Energy Regulatory Commission.

Public Utilities - Administrative Division 0184

Initiative: Provides funding to purchase a new audio visual system to replace the current system that was installed in 2009.

Ref. #: 2654

Committee Vote: 13-0-In AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
All Other	\$126,330	\$0
OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$126,330</u>	<u>\$0</u>

Justification:

The Public Utilities Commission purchased and installed an audio visual system in 2009 to stream the hearings held at the Commission. This enables citizens, utilities and interested parties to watch and listen to the proceedings. The system has reached its end of life and is beginning to not function properly. Based on estimates provided by two vendors, the expected cost of a new system, including hardware, software and installation, is \$125,000.

Public Utilities - Administrative Division 0184

Initiative: Provides funding for the increase in technology expenditures.

Ref. #: 2655

Committee Vote: 13-0-In AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS	2015-16	2016-17
All Other	\$76,213	\$109,103

OTHER SPECIAL REVENUE FUNDS TOTAL

\$76,213

\$109,103

Justification:

Routine increases in information technology include servers, storage, software maintenance, email support, hardware support of laptops and desktops.

**PUBLIC UTILITIES - ADMINISTRATIVE DIVISION 0184
PROGRAM SUMMARY**

	History 2013-14	History 2014-15	2015-16	2016-17
FEDERAL EXPENDITURES FUND				
Personal Services	\$0	\$0	\$49,474	\$49,474
All Other	\$50,000	\$50,000	\$526	\$526
FEDERAL EXPENDITURES FUND TOTAL	\$50,000	\$50,000	\$50,000	\$50,000
	History 2013-14	History 2014-15	2015-16	2016-17
OTHER SPECIAL REVENUE FUNDS				
POSITIONS - LEGISLATIVE COUNT	56.000	56.000	56.000	56.000
POSITIONS - FTE COUNT	0.250	0.250	0.250	0.250
Personal Services	\$5,560,546	\$5,862,642	\$6,261,158	\$6,284,645
All Other	\$4,013,414	\$4,013,502	\$3,676,680	\$3,583,240
OTHER SPECIAL REVENUE FUNDS TOTAL	\$9,573,960	\$9,876,144	\$9,937,838	\$9,867,885

PUBLIC UTILITIES COMMISSION

DEPARTMENT TOTALS	2015-16	2016-17
FEDERAL EXPENDITURES FUND	\$50,000	\$50,000
OTHER SPECIAL REVENUE FUNDS	\$17,305,346	\$17,235,813
DEPARTMENT TOTAL - ALL FUNDS	\$17,355,346	\$17,285,813