

MAINE STATE LEGISLATURE

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1 SMCY
ROBS

L.D. 1825

2 Date: 4/1/14

(Filing No. S-482)

3 **ENERGY, UTILITIES AND TECHNOLOGY**

4 Reproduced and distributed under the direction of the Secretary of the Senate.

5 **STATE OF MAINE**

6 **SENATE**

7 **126TH LEGISLATURE**

8 **SECOND REGULAR SESSION**

9 COMMITTEE AMENDMENT "A" to S.P. 731, L.D. 1825, Bill, "An Act To
10 Assist Electric Utility Ratepayers"

11 Amend the bill by striking out everything after the enacting clause and before the
12 summary and inserting the following:

13 **'Sec. 1. 35-A MRSA §3214, sub-§2-A** is enacted to read:

14 **2-A. Arrearage management program.** Each transmission and distribution utility
15 shall implement pursuant to this subsection an arrearage management program to assist
16 eligible low-income residential customers who are in arrears on their electricity bills. An
17 arrearage management program implemented pursuant to this subsection is a plan under
18 which a transmission and distribution utility works with an eligible low-income
19 residential customer to establish an affordable payment plan and provide credit to that
20 customer toward the customer's accumulated arrears as long as that customer remains in
21 compliance with the terms of the program. The commission shall establish requirements
22 relating to the arrearage management programs by rule. Rules adopted pursuant to this
23 subsection are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A.

24 In adopting rules regarding arrearage management programs, the commission shall:

25 A. Consider best practices as developed and implemented in other states or regions;

26 B. Require that an arrearage management program include an electricity usage
27 assessment at no cost to the participant;

28 C. Permit each transmission and distribution utility to propose a start date for its
29 program that is no later than October 1, 2015;

30 D. Ensure that each transmission and distribution utility develops terms and
31 conditions for its arrearage management program in a manner that is consistent with
32 the program's objectives and is in the best interests of all ratepayers; and

33 E. Ensure that a transmission and distribution utility recovers in rates all costs of
34 arrearage management programs, including incremental costs, reconnection fees and
35 administrative and marketing costs but not including the amount of any arrearage

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1 forgiven that is treated as bad debt for purposes of cost recovery by the transmission
2 and distribution utility.

3 The Efficiency Maine Trust shall work with transmission and distribution utilities and
4 other stakeholders to provide access to a complementary low-income energy efficiency
5 program for participants in arrearage management programs in order to help reduce
6 participants' energy consumption.

7 No later than January 28, 2018, the commission shall prepare a report assessing the
8 effectiveness of arrearage management programs, including the number of participants
9 enrolled in the programs, the number of participants completing the programs, the
10 number of participants who have failed to complete the programs, the payment patterns of
11 participating customers after completing the programs, the dollar amount of arrears
12 forgiven, a comparison of outcomes for those participating in the programs and those not
13 participating, the impact on a transmission and distribution utility's bad debt as a result of
14 the programs, the costs and benefits to all ratepayers associated with the programs and
15 recommendations for ways in which the programs might be improved or continued for
16 the benefit of all ratepayers. In preparing its report, the commission shall hold at least
17 one formal stakeholder meeting involving affected parties, including the Office of the
18 Public Advocate and the participating transmission and distribution utilities. Parties must
19 also be provided an opportunity to submit written comments to the commission regarding
20 the performance of the programs.

21 The joint standing committee of the Legislature having jurisdiction over utilities matters
22 may report out a bill relating to the commission report to the Second Regular Session of
23 the 128th Legislature.

24 This subsection is repealed September 30, 2018.

25 **Sec. 2. 35-A MRSA §10110, sub-§2, ¶L is enacted to read:**

26 L. Pursuant to section 3214, subsection 2-A, the trust shall work with transmission
27 and distribution utilities and other stakeholders to provide access to a complementary
28 low-income energy efficiency program for participants in the arrearage management
29 programs in order to help reduce participants' energy consumption.

30 This paragraph is repealed September 30, 2018.'

31 **SUMMARY**

32 This amendment adds to the bill the requirement that the arrearage management
33 programs begin no later than October 15, 2015 and that the terms and conditions of the
34 programs be in the best interest of ratepayers. This amendment adds payment patterns to
35 the topics for the Public Utilities Commission to include in its report on the arrearage
36 management programs and allows the joint standing committee of the Legislature having
37 jurisdiction over utilities matters to report out a bill relating to the report. This
38 amendment makes other minor technical changes.

FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT

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Approved: 03/31/14 *mac*



126th MAINE LEGISLATURE

LD 1825

LR 2623(02)

An Act To Assist Electric Utility Ratepayers

Fiscal Note for Bill as Amended by Committee Amendment "A" (5-482)
Committee: Energy, Utilities and Technology
Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

The bill requires transmission and distribution utilities to implement an arrearage management program to assist certain low-income customers who are in arrears on their electricity bills. The Public Utilities Commission (PUC) must adopt rules to establish the terms and conditions of this program. The Efficiency Maine Trust (EMT) will work with the utilities to provide access to a complementary low income energy efficiency program for those customers in the arrearage management program until September 30, 2018. The PUC must prepare and submit a report by January 28, 2018 to the Legislature on the effectiveness of the arrearage management program. Any additional costs to PUC and EMT to undertake these activities are expected to be minor and can be absorbed within existing budgeted resources.