

MAINE STATE LEGISLATURE

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Date: 4/2/18

ENERGY, UTILITIES AND TECHNOLOGY

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
128TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1285, L.D. 1848, Bill, "An Act To Extend Arrearage Management Programs"

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

Sec. 1. 35-A MRSA §3214, sub-§2-A, as enacted by PL 2013, c. 556, §1, is amended to read:

2-A. Arrearage management program. Each investor-owned transmission and distribution utility shall implement pursuant to this subsection an arrearage management program to assist eligible low-income residential customers who are in arrears on their electricity bills. An arrearage management program implemented pursuant to this subsection is a plan under which a transmission and distribution utility works with an eligible low-income residential customer to establish an affordable payment plan and provide credit to that customer toward the customer's accumulated arrears as long as that customer remains in compliance with the terms of the program. If a consumer-owned transmission and distribution utility elects to implement an arrearage management program, it must do so in accordance with this subsection and rules adopted pursuant to this subsection. The commission shall establish requirements relating to the arrearage management programs by rule. Rules adopted pursuant to this subsection are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A.

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

- A. Consider best practices as developed and implemented in other states or regions;
- B. Require that an arrearage management program include an electricity usage assessment at no cost to the participant;
- ~~C. Permit each transmission and distribution utility to propose a start date for its program that is no later than October 1, 2015;~~

COMMITTEE AMENDMENT

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

E. Ensure that a transmission and distribution utility recovers in rates all reasonable costs of arrearage management programs, including incremental costs, reconnection fees and administrative and marketing costs but not including the amount of any arrearage forgiven that is treated as bad debt for purposes of cost recovery by the transmission and distribution utility.

(1) Incremental costs;

(2) Reconnection fees;

(3) Administrative costs;

(4) Marketing costs;

(5) Costs for any 3rd-party assistance it receives in administering its arrearage management program; and

(6) Costs for providing financial and budgetary guidance to participants whether provided directly or through a 3rd party contracted by the transmission and distribution utility to provide that guidance.

The amount of any arrearage forgiven that is treated as bad debt for purposes of cost recovery by the transmission and distribution utility may not be included as a reasonable cost under this paragraph.

The Efficiency Maine Trust shall work with investor-owned transmission and distribution utilities, consumer-owned transmission and distribution utilities that elect to participate in an arrearage management program and other stakeholders to provide access to a complementary low-income energy efficiency program for participants in arrearage management programs in order to help reduce participants' energy consumption.

No later than January 28, ~~2018~~ 2021, the commission shall prepare a report assessing the effectiveness of arrearage management programs, including the number of participants enrolled in the programs, the number of participants completing the programs, the number of participants who have failed to complete the programs, the payment patterns of participating customers after completing the programs, the dollar amount of arrears forgiven, a comparison of outcomes for those participating in the programs and those not participating, the impact on a any participating transmission and distribution utility's bad debt as a result of the programs, the costs and benefits to all ratepayers associated with the programs and recommendations for ways in which the programs might be improved or continued for the benefit of all ratepayers. In preparing its report, the commission shall hold at least one formal stakeholder meeting involving affected parties, including the Office of the Public Advocate and the participating transmission and distribution utilities. Parties must also be provided an opportunity to submit written comments to the commission regarding the performance of the programs.

COMMITTEE AMENDMENT

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The joint standing committee of the Legislature having jurisdiction over utilities matters may report out a bill relating to the commission report to the ~~Second~~ First Regular Session of the ~~128th~~ 130th Legislature.

This subsection is repealed September 30, ~~2018~~ 2021.

Sec. 2. 35-A MRSA §10110, sub-§2, ¶L, as enacted by PL 2013, c. 556, §2, is amended to read:

L. Pursuant to section 3214, subsection 2-A, the trust shall work with investor-owned transmission and distribution utilities, consumer-owned transmission and distribution utilities that elect to participate in an arrearage management program pursuant to section 3214, subsection 2-A and other stakeholders to provide access to a complementary low-income energy efficiency program for participants in the arrearage management programs in order to help reduce participants' energy consumption.

This paragraph is repealed September 30, ~~2018~~ 2021.

SUMMARY

This amendment makes implementation of an arrearage management program elective for consumer-owned transmission and distribution utilities. It also clarifies language regarding the recovery in rates of reasonable costs associated with an arrearage management program.

FISCAL NOTE REQUIRED

(See attached)



128th MAINE LEGISLATURE

LD 1848

LR 2930(02)

An Act To Extend Arrearage Management Programs

Fiscal Note for Bill as Amended by Committee Amendment 'A' (H-708)

Committee: Energy, Utilities and Technology

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

Any additional costs to the Public Utilities Commission or the Efficiency Maine Trust as a result of changes to the rules regarding arrearage management programs and recovery in rates of reasonable costs associated with arrearage management programs are anticipated to be minor and can be absorbed within existing budgeted resources.