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March 14, 2019

Chairman Lawrence, Chairman Berry and Members of the Energy, Utilities and Technology Committee,

The Office of the Public Advocate (“OPA”) testifies neither for nor against LD 1003 “An Act To Ensure Accurate Explanation of Electric Bills” which would require an investor-owned transmission and distribution utility (“T&D”) to obtain the approval of the Public Utilities Commission (“PUC”) before providing information explaining electricity rate components to a customer. The bill would require the PUC to ensure that the information provided to a customer accurately reflect the overall rate structure and cost components for the supply and delivery of electricity. The bill would also require the PUC to receive input from the OPA and other interested parties before approving or disapproving any written information provided by an investor-owned transmission and distribution utility to a customer.

LD 1003 references the information as written information so we assume that the LD is referencing a customer’s bill.

The PUC already requires utilities to obtain their approval prior to making any changes to customer bills. The OPA is also invited to comment on any proposed bill changes.

LD 1003 would require that the utility include: “a graph or chart that displays trends over the past ten years and an explanation of how the electricity is competitively supplied while delivery is provided through a transmission and

distribution utility.” It is unclear if the ten-year reference is a reference to trends in customer usage and if so the requirement is problematic. Ten years is a long time and in many cases the customer at the location could change, perhaps even multiples times, so the comparison graph showing 10 years may not be beneficial. Also, such a graph would require a change to the bill format and take up a lot of space on a bill both of which would result in increased costs.

If the ten-year reference is for supply trends, then it is also problematic. Supply is not something that utilities are required to track. It is the PUC that has limited jurisdiction over suppliers, over matters such as licensing. Supply price is set by the market and contracted for pursuant to the issuance of an RFP for the standard offer or negotiated in a competitive market by customers and competitive energy suppliers.

If the ten-year reference is for transmission, distribution and supply costs, this is also problematic for the reason I have already above as well as potentially being confusing for customers. Extensive education would need to accompany this chart to ensure that customers understand the information being presented. A concern would be that it would present the customer with information that they are powerless to change.

This bill also requires utilities to provide an explanation detailing the competitive supply market as well as the utility’s responsibility in providing transmission and distribution. While this is important information, it is readily available through the PUC’s and OPA’s websites. The information referenced in LD 1003 is far too detailed and lengthy to include in a bill without expecting the bill length (and cost) to increase significantly.

Thank you for your time, attention and consideration of this testimony. The Office of the Public Advocate looks forward to working with the Committee on LD 1003, and will be present at the work session to assist the Committee in its consideration of this bill.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Barry J. Hobbins". The signature is written in a cursive style with a large, looping initial "B".

Barry J. Hobbins
Public Advocate