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

The Office of the Public Advocate (“OPA”) testifies in opposition of LD 918 “An Act Regarding Utility Line Extensions” which proposes to require transmission and distribution utilities to share the cost of utility line extensions to subdivision developments. This would direct the Public Utilities Commission (“PUC”), by rule, to require transmission and distribution (“T&D”) utilities to cover the cost of a portion of a line extension either by providing a portion of the line extension free of charge, in the case of utility construction of the line extension, or providing a credit or reimbursement upon transfer of ownership of the line extension to the utility, in the case of a privately constructed line extension.

Chapter 395 of the Public Utilities Commission (PUC) Rules governs the construction and payment of line extensions. It provides the structure by which T&D utilities may charge for line extensions. Current practice provides for customers to incur the cost of a line extension, consistent with the concept of “cost causation.”

In the case of developments, the rule provides that a privately build line extension shall be transferred to the utility prior to the time it is energized. Payments in connection with the transfer include all payments necessary to maintain the safety of the distribution system to which the line will be connected and any costs associated with ensuring the line is compliant with electric safety standards.

The bill proposal would impose the costs of new development line extensions to the general body of ratepayers, contrary to the concept that the person causing the cost should be responsible for the payment. It would thus raise the rates for customers.

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 918, and will be present at the work session to assist the Committee in its consideration of this bill.

Respectfully submitted,



Barry J. Hobbins
Public Advocate