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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 neither for nor against LD 1048 “An Act To Encourage Conservation in Determining Natural Gas Rates” which bill requires the Public Utilities Commission (“PUC”), in determining rates and rate structures for natural gas utilities, to consider energy conservation and financial incentives for customers to reduce natural gas consumption.

LD 1048 makes reference to 35-A MRSA §301 yet we at the OPA believe this may be better situated in 35-A MRSA § 4703, which is specific to the cost of gas. Where gas is a commodity, and charged as a pass-through cost, it would be chaotic to try to combine this idea with base rates.

The OPA is unsure when reading LD 1048 what the proposed bill is trying to accomplish and feels it raises more questions than offers solutions. Is this meant to be a de-coupling bill meant to move gas utility rates off of volumetric sales? What is meant by taking account of the “effect” of conservation? Is this trying to address base rates because billings, and thus revenues went down with less gas use? Or, the cost of gas due to conservation measures, i.e., the company is buying less which would be addressed more aptly by 4703? Lastly, there is the issue that most conservation programs are administered by Efficiency Maine Trust (“EMT”) and not the utilities.

As this proposed piece of legislation is currently written the OPA believes a lot could be read into what the Commission could do and feels this bill needs further review.

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 1048, 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 fluid and cursive, with the first name "Barry" and last name "Hobbins" clearly distinguishable.

Barry J. Hobbins
Public Advocate