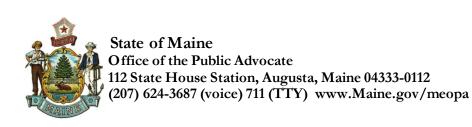
LD 1559

An Act To Require the Public Utilities Commission To Open an Investigation Whenever It Initiates a Management Audit

SUPPORT



Janet T. Mills GOVERNOR

Barry J. Hobbins Public Advocate

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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 support of LD 1559 "An Act To Require the Public Utilities Commission To Open an Investigation Whenever It Initiates a Management Audit" which bill requires the Public Utilities Commission ("PUC"), whenever it initiates a management audit of a public utility, to also open an investigation into the same issues that are the subject of the audit. This investigation is an adjudicatory proceeding with full rights of intervention and participation as allowed under the commission's procedural rules.

LD 1559 addresses the PUC's management audit authority and responsibility. Currently, the PUC has the discretion to open an inquiry in a utility's management practices in order to determine whether to initiate an audit and then whether to open an investigation. An inquiry is an internal PUC review of the utility and does not allow other parties such as the OPA to participate. An investigation is an adjudicatory proceeding with full party participation and rights. This bill would simply require the PUC to open an investigation into the subject of the audit at the same time that the audit is initiated.

The PUC initiated the audit of Central Maine Power ("CMP") when the magnitude of its billing problems became apparent. The OPA requested to be included in a substantive way in that inquiry and audit. That request was rejected which was allowed under the existing statute. The OPA does not believe this is right approach

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and the ratepayer's representatives should be allowed to elect to be a part of the process from the beginning. For this reason, the OPA has put forth this legislation which we fully support and hope that you will as well. The OPA would like to thank Senator Lawrence for sponsoring this bill and Senator Woodsome and Representative Rykerson for co-sponsoring LD 1559.

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 1559, 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