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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 strongly in support of LD 2013 “An Act To Extend Arrearage Management Program Requirements for Transmission and Distribution Utilities for One Year” which delays by one year, from September 30, 2021 to September 30, 2022, the repeal of the requirement that an investor-owned transmission and distribution utility implement an arrearage management program to assist low-income residential customers with their electricity bills and the requirement that the Efficiency Maine Trust (“EMT”) work with utilities that participate in an arrearage management program.

Like Public Law 414 (LD 1848 - “An Act To Extend Arrearage Management Program) this legislation seeks to again extend the arrearage management program (“AMP”). The goal of the prior legislation was to offer the program for an additional three years and became public law after a veto by Governor Lepage was overridden. The stakeholder group is seeking an additional year to allow for a full three (3) years of data collection. There were unforeseen delays in implementing the enhanced program measures in 2018 and those measures are all in effect now.

Changes made to AMP through LD 1848 were a direct result of data analysis from the first three years of the program. It was clear that participants would benefit from additional support in order for the program to be successful. Enhanced

measures implemented through LD 1848 allowed additional examination of program participation and the success of more support measures. LD 2013 requests an additional year to allow for the three years originally intended.

Even with enhanced support measures, the program costs are relatively low. The debt forgiven thru AMP is debt that was on the books already and would have been recovered through rates when it was written off as bad debt in the future.

The primary goals of AMP are:

- Provide a pathway to avoid disconnection;
- Reduce bad debt, collection costs and disconnection costs;
- Establish a positive, cooperative relationship with the utility;
- Help EMT connect customers using high amounts of electricity for targeted intervention; and
- Improve customer payment behavior.

It is important to remember that AMP participants are amongst the most vulnerable in society and it isn't always a matter of simply educating them on how to pay their bills on time. These individuals are often one crisis away from having to leave the program to deal with a more urgent household bill and this should be kept in mind when evaluating the program.

The stakeholders of AMP all agree that an additional one-year extension will be necessary to fulfill the program enhancements promised to the Legislature in 2018. Several factors delayed the implementation of the enhanced program supports resulting in a delay in the program. Extending the program would allow additional time to fully implement the improvements to the program and to help it achieve the potential for which it was created – to allow low-income customers who have fallen

behind in their bills to lower their usage, to become current and to avoid disconnection.

You may recall that a letter from the OPA dated June 11, 2019 regarding the AMP program was provided to the EUT Committee last year, a copy of which is attached hereto. I would ask you to review this letter for information about the program and its status as well as additional information regarding the circumstances regarding the need for an extension of the reporting deadline.

The OPA would like to thank Representative Riley for her continued support of AMP and her sponsorship of LD 2013.

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 2013 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