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Testimony in Support
LD 1080, “An Act Prohibiting Public Utilities from Requiring Deposits Based Solely
on a Residential Customer's Income”
April 2, 2025

Senator Lawrence, Representative Sachs, and distinguished members of the Joint Standing Committee on Energy, Utilities and Technology,

My name is Heather Sanborn, here today as Public Advocate, to testify in support of LD 1080, “An Act Prohibiting Public Utilities from Requiring Deposits Based Solely on a Residential Customer’s Income.”

Maine statutes already clearly set a default rule that residential consumers should not be charged a deposit prior to being able to establish electricity service in their homes. To override this default rule, the burden is on the utility to prove that the customer is likely to be a credit risk. Under current law, the utility must provide this proof to the customer upon request. The statute further clarifies that the lack of prior history as a customer is not sufficient proof of credit risk. Thus, under current statute, the utility should have some particularized evidence to prove that a new customer is a credit risk. Under the current rules applying this statute though, our utilities are allowed to consider a customer’s lack of a regular source of income alone as sufficient proof that they are a credit risk.

There could be lots of scenarios where someone could secure an apartment and need to establish new electrical service without yet having a regular source of income. Imagine that you are a survivor of human trafficking and are just getting on your feet with the help of a non-profit who has helped you secure safe housing. Imagine you are a survivor of domestic violence who has squirreled away enough money to escape the abusive situation and find safe housing for yourself and your children. Imagine you are an asylum seeker who is here with the help of a local church organization, waiting the required 6 months to obtain your federal work permit. You sign your lease and then call the electric company, only to find that you need another \$300 or \$400 just to get the lights turned on.

These are not just hypotheticals. Preble Street’s Anti-Trafficking Services, which works with survivors of human trafficking throughout southern and central Maine, estimates that 90% of the clients they work with could not afford to pay utility deposits. General assistance programs are barred from providing money for utility deposits. While some other non-profit human service programs, such as Preble Street’s Rapid Rehousing Team, which provides case management and housing location services to unhoused individuals and families in the Portland and Lewiston areas, can assist with utility deposits, these deposits then tie up program funds that could be used instead to help house additional families.

Of the 89,000 new residential accounts created last year by CMP, fewer than 300 people were required to provide a deposit based on lack of income. So, this issue impacts only a very small number of potential customers. But the impact on those individuals can be monumental. If you can't afford to turn on the electricity, you can't keep the apartment you just signed the lease for and you may find yourself back in a cycle of homelessness, human trafficking, or abuse.

Of course, security deposits are a reasonable tool utilities can use to protect other ratepayers from the risk that bad actors won't pay their bills. But the folks without an income who would be helped by the change proposed today aren't bad actors with a history of skipping out on their utility bills. They just happen to have no regular source of income at the time they get a new apartment. And the fact that only 300 accounts in CMP territory—less than 0.3% of all new accounts established last year—are affected by this provision also means that the risk of loss to other ratepayers is very low. We strongly support this simple change to the deposit law that would make a very big difference for these Maine families.

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 1080 and will be available if requested for the work session to assist the Committee in its consideration of this bill.

Respectfully submitted,

Heather Sanborn
Public Advocate