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Testimony Neither for Nor Against
LD 1412, “An Act to Increase Contingency Reserves for Maine's Consumer Owned
Electric Transmission and Distribution Utilities”

April 16, 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 neither for nor against LD 1412, “An Act to Increase Contingency Reserves for Maine's Consumer Owned Electric Transmission and Distribution Utilities.”

The language governing the limitation on operating reserves held by consumer owned utilities (COU) was last amended over 25 years ago, therefore increasing available cash reserves may be appropriate to address modern concerns. In general, COUs in Maine are not incentivized by a profit motive for overspending. They also are more accountable to their customers and are therefore generally more sensitive to avoiding steep increases in customer rates than IOUs may be. It may be appropriate to allow for increased operating reserves above the current 25% threshold, as long as the resulting rates remain just and reasonable.

I welcome your questions and would be happy to provide additional information for the work session.

Respectfully submitted,

Heather Sanborn
Public Advocate