

MAINE PUBLIC UTILITIES COMMISSION

An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2022 and June 30, 2023

Before the Joint Standing Committee on Appropriations and Financial Affairs and Energy, Utilities and Technology

February 24, 2021

Senator Breen, Representative Pierce, Senator Lawrence, Representative Berry, Members of the Joint Standing Committees on Appropriations and Financial Affairs and Energy, Utilities and Technology, I am Harry Lanphear, Administrative Director of the Maine Public Utilities Commission (Commission or PUC).

The Commission was established by the Maine Legislature in 1913 and is responsible for regulating Maine's electric, gas, telephone and water utilities. The Commission also has limited authority over rates and service of ferry transportation. In addition to its regulatory role, the Commission also enforces Gas Safety and the Underground Damage Prevention Program and manages the statewide Enhanced 911 (E911) system.

The Commission is divided into six operating areas according to industry area or function. The Telephone and Water Division and the Electric and Gas Division are designated to work on the issues related to these regulated industries. The Emergency Services Communication Bureau (ESCB) manages the statewide E911 system, including program development and implementation. The Consumer Assistance and Safety Division (CASD) provides information and assistance to utility customers to help them resolve disputes with utilities. The CASD also oversees gas safety regulation and enforcement as well as Dig Safe. The Legal Division provides hearing officers in cases before the Commission and assists in preparing and presenting Commission views on legislative proposals. The Administrative Division handles day-to-day operational management of the Commission, with responsibilities for fiscal, personnel, technology and other administrative matters.

The Commission staff totals 65.5 positions including accountants, engineers, lawyers, financial analysts, economists, consumer specialists and administrative and support staff. The Commission is funded through an assessment on utilities and the E911 system is funded through a surcharge on telephone lines which is described in more detail below.

There are no new initiatives in the 2022-2023 biennial budget for the PUC. However, there is a 2.60% overall baseline increase due to routine adjustments in salary, benefits and related STA-CAP all of which are approved by the Bureau of the Budget. The baseline budget is comprised of \$60,000 in Federal Expenditures Fund and \$21,005,733 in Other Special Revenue Funds.

EMERGENCY SERVICES COMMUNICATION BUREAU 0994

The first Budget Program presented in the Committee document is labeled “Emergency Services Communication Bureau 0994” (**page A-462**). The baseline budget presented shows this Budget Program is comprised of Other Special Revenue Funds. The fund encompasses Personal Services for 9 positions and All Other expenditures consisting primarily of information technology contracts and services to support the E911 system.

The E911 system is funded entirely through a surcharge on wireline, wireless (cellular), prepaid wireless and interconnected voice over internet protocol (VoIP) telephone service. The surcharge is currently \$0.35 per line.

There are no new initiatives in the ESCB budget. The biennial budget reflects 9 positions and \$7,271,062 in FY22 and \$7,288,665 in FY23 in Other Special Revenue Funds.

OVERSIGHT AND EVALUATION PROGRAM Z106

The next Budget Program presented in the Committee document is labeled “Oversight and Evaluation Program Z106” (**page A-463**). The baseline budget presented shows this Budget Program is comprised of Other Special Revenue Funds.

The Commission was required to establish this program pursuant to Public Law 2009, c. 372, which established the Efficiency Maine Trust (Trust). The purpose of the Oversight and Evaluation Program is to defray the Commission’s expenses in overseeing the Trust, including but not limited to contracting with third party consultants in reviewing and approving the Trust’s Triennial Plan. Public Law 2009, c. 372, also provides for the Commission to assess up to 1% of the funds administered by the Trust to cover the costs of this oversight.

There are no new initiatives in this budget. The biennial budget reflects \$252,660 in FY22 and FY23 in Other Special Revenue Funds.

ADMINISTRATIVE DIVISION PROGRAM 0184

The next Budget Program presented in the committee document is labeled “Administrative Division Program 0184” (**page A-464**). The baseline budget presented shows this Budget Program is comprised of Federal Expenditures Fund and Other Special Revenue Funds. The Administrative Division Program provides the Commission with the resources to regulate Maine’s electric, gas, telephone and water utilities, ensuring that consumers have access to safe and reliable service from public utilities at rates that are just and reasonable. In addition, this program provides funding for gas safety regulation including damage prevention and pipeline safety work performed by the Commission.

These Commission functions are funded through an assessment on regulated utilities. The Commission also receives federal funds from the U.S. Department of Transportation’s One Call Grant to partially fund damage prevention investigators who enforce Maine’s underground facilities damage prevention law. The small increases in this program are due to routine adjustments in salary, benefits and related STA-CAP all of which are approved by the Bureau of the Budget.

There are no new initiatives in the Administrative Division Program. The biennial budget reflects \$60,000 in FY22 and FY23 in Federal Expenditures Fund and also reflects 56.5 positions and \$13,185,936 in FY22 and \$13,464,408 in FY23 in Other Special Revenue Funds.

CONCLUSION

This concludes the testimony of the Public Utilities Commission. I would be happy to answer any questions you have.