
By: **Senator Giannetti**

Introduced and read first time: February 6, 2004

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Utilities - Underground Conversion - Pilot Program**

3 FOR the purpose of establishing a pilot program on conversion of overhead electric
4 and communication utilities underground under the authority of the Public
5 Service Commission; stating certain findings of the General Assembly; providing
6 for the purposes of the pilot program; requiring the Commission to conduct
7 certain proceedings concerning the pilot program; requiring the pilot program to
8 commence conversion of certain facilities in a certain area by a certain date;
9 providing for the assessment, allocation, and collection of certain costs in a
10 certain manner; requiring certain reports be made to certain committees for a
11 certain period; and generally relating to conversion of overhead utilities.

12 BY repealing and reenacting, with amendments,
13 Article - Public Utility Companies
14 Section 12-303
15 Annotated Code of Maryland
16 (1998 Volume and 2003 Supplement)

17 BY adding to
18 Article - Public Utility Companies
19 Section 12-318
20 Annotated Code of Maryland
21 (1998 Volume and 2003 Supplement)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
23 MARYLAND, That the Laws of Maryland read as follows:

24 **Article - Public Utility Companies**

25 12-303.

26 [This] EXCEPT AS OTHERWISE PROVIDED BY LAW, THIS subtitle does not apply
27 in Baltimore County.

1 12-318.

2 (A) IN THIS SECTION, "CONVERSION AREA" MEANS THE U.S. ROUTE 1
3 CORRIDOR FROM THE BORDER OF HOWARD COUNTY AND PRINCE GEORGE'S COUNTY
4 TO THE BORDER OF THE STATE WITH THE DISTRICT OF COLUMBIA.

5 (B) THE GENERAL ASSEMBLY FINDS THAT:

6 (1) RECENT STORMS AND OTHER NATURAL OCCURRENCES HAVE
7 CAUSED SEVERE INTERRUPTION OF ELECTRIC AND COMMUNICATION SERVICE IN
8 MANY AREAS OF THE STATE, DEMONSTRATING THE VULNERABILITY OF OVERHEAD
9 FACILITIES;

10 (2) THE SCOPE AND DURATION OF SERVICE INTERRUPTIONS HAVE IN
11 LARGE MEASURE RESULTED FROM DAMAGE TO OVERHEAD ELECTRIC AND
12 COMMUNICATION FACILITIES BY FALLING TREES AND SIMILAR OBSTRUCTIONS IN
13 URBAN AND SUBURBAN AREAS;

14 (3) LEGISLATIVE INVESTIGATION OF THE POTENTIAL BENEFITS AND
15 COSTS ASSOCIATED WITH CONVERSION OF OVERHEAD ELECTRIC AND
16 COMMUNICATION FACILITIES HAS BEEN HAMPERED BY A DEARTH OF ACCURATE
17 AND CURRENT STATISTICS ON CONVERSION OF UTILITIES IN DEVELOPED AREAS;
18 AND

19 (4) A PILOT PROJECT OF CONVERSION OF OVERHEAD ELECTRIC AND
20 COMMUNICATION FACILITIES IN A DEVELOPED AREA WILL ASSIST THE GENERAL
21 ASSEMBLY, REGULATORS, AND THE PUBLIC BY PROVIDING ACCURATE DATA AND
22 APPLICABLE EXPERIENCE THAT WILL BE VALUABLE IN ASSESSING THE POTENTIAL
23 NEED FOR LARGE-SCALE CONVERSION OF VULNERABLE OVERHEAD FACILITIES IN
24 MANY AREAS OF THE STATE.

25 (C) THERE IS A PILOT PROGRAM ON UNDERGROUND CONVERSION
26 ADMINISTERED BY THE COMMISSION.

27 (D) THE PURPOSE OF THE PILOT PROGRAM IS TO OBTAIN AN ACCURATE
28 ASSESSMENT OF THE ACTUAL DIRECT AND INDIRECT COSTS OF CONVERTING
29 OVERHEAD UTILITIES UNDERGROUND IN URBAN AND SUBURBAN AREAS, BY
30 CONVERSION OF ELECTRIC AND COMMUNICATION FACILITIES IN THE CONVERSION
31 AREA.

32 (E) THE COMMISSION SHALL CONDUCT APPROPRIATE PROCEEDINGS,
33 INCLUDING ROUND TABLE DISCUSSIONS, WITH AFFECTED UTILITIES, OTHER
34 FACILITY OWNERS, CONTRACTORS, AND OWNERS OF ADJACENT PROPERTY TO:

35 (1) ESTABLISH AND COORDINATE THE CONVERSION OF THE ELECTRIC
36 AND COMMUNICATION FACILITIES IN THE CONVERSION AREA IN THE PILOT
37 PROGRAM; AND

38 (2) FACILITATE THE ACQUISITION AND DISSEMINATION OF
39 INFORMATION ON THE PROCESS OF CONVERSION, INCLUDING:

1 (I) ENGINEERING AND TECHNICAL ASPECTS OF CONVERTING
2 OVERHEAD FACILITIES UNDERGROUND IN A HEAVILY DEVELOPED COMMERCIAL
3 CORRIDOR;

4 (II) EXPERIENCE OF USING DIFFERENT METHODS OF CONVERSION;
5 AND

6 (III) COSTS ASSOCIATED WITH VARIOUS ENGINEERING SOLUTIONS
7 USED IN CONVERTING OVERHEAD FACILITIES IN DIFFERENT LOCATIONS.

8 (F) THE CONVERSION OF FACILITIES IN THE CONVERSION AREA SHALL
9 BEGIN ON OR BEFORE JULY 1, 2007.

10 (G) (1) NOTWITHSTANDING OTHER PROVISIONS OF THIS SUBTITLE AND §
11 4-209 OF THIS ARTICLE, THE ENTIRE CUSTOMER BASE OF EACH PUBLIC SERVICE
12 COMPANY OR OTHER FACILITY OWNER SHALL BEAR THE COSTS ASSOCIATED WITH
13 CONVERTING THE UTILITY'S OVERHEAD FACILITIES IN THE CONVERSION AREA,
14 DIVIDED EQUALLY IN A MANNER APPROVED BY THE COMMISSION.

15 (2) THE COST OF THE CONVERSION SHALL BE:

16 (I) AMORTIZED OVER A REASONABLE PERIOD NOT TO EXCEED 20
17 YEARS; AND

18 (II) RECOVERED BY A SURCHARGE ON THE SERVICES PROVIDED TO
19 EACH CUSTOMER AND PLACED ON THE PERIODIC BILL THAT THE CUSTOMER
20 RECEIVES FROM THE PUBLIC SERVICE COMPANY OR OTHER FACILITY OWNER.

21 SECTION 2. AND BE IT FURTHER ENACTED, That, in accordance with §
22 2-1246 of the State Government Article, the Public Service Commission shall report
23 to the Senate Finance Committee and the House Economic Matters Committee on or
24 before December 31 of each year, beginning in 2007 and ending on the completion of
25 the pilot program for conversion required under Section 1 of this Act, on:

26 (1) the status of the pilot program for conversion;

27 (2) the engineering and technical aspects of the conversion as they relate
28 to the difficulties of converting facilities in a heavily developed area, in summary
29 form; and

30 (3) the costs associated with viable conversion methods that are used or
31 assessed in the pilot program for conversion.

32 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
33 June 1, 2004.