

SB0692/497875/1

BY: Finance Committee

AMENDMENTS TO SENATE BILL 692

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “and Rosapepe” and substitute “Rosapepe, Kittleman, Klausmeier, Pipkin, and Pugh”; in line 2, after “Act” insert “Safety Violations”; in line 7, strike “include” and substitute “account for certain major outages, and require an electric company to file a corrective action plan if it fails to meet certain service quality and reliability standards; authorizing the Commission to include in certain regulations”; strike beginning with the comma in line 8 down through “purposes” in line 9; in line 9, before “requiring” insert “requiring the Commission, in adopting certain regulations, to consider certain standards, ensure certain service quality and reliability standards are cost-effective, and consider certain factors relating to vegetation management;”; in line 12, strike “an” and substitute “a certain”; strike beginning with “requiring” in line 14 down through “principle” in line 16 and substitute “authorizing the Commission to impose certain civil penalties on or after a certain date”; in line 18, after “ratepayers;” insert “providing that certain provisions relating to corrective action taken by the Commission against an electric company that fails to meet certain service quality and reliability standards do not apply to electric cooperatives;”; in line 20, after “report;” insert “requiring the Commission to hold a certain hearing at the request of an electric company; altering the maximum daily civil penalty that may be imposed on a public service company for certain safety violations; removing a certain cap on the total civil penalty that may be imposed for a related series of safety violations;”; in line 21, strike “certain regulations may” and substitute “this Act does”; in line 22, after “companies;” insert “providing that this Act may not be construed to limit the Commission’s authority to adopt and enforce engineering and safety standards for electric companies; providing that certain authorization for the Commission to impose certain civil penalties does not apply to a violation of a certain provision as that provision applies to electric cooperatives; requiring the Commission to establish a certain workgroup to provide certain”

(Over)

recommendations; requiring the Commission to review certain regulations, tariffs, or standards, conduct certain studies, and report its findings to certain committees on or before a certain date;”; and in line 23, after “electricity” insert “safety and”.

On page 2, after line 2, insert:

“BY repealing and reenacting, with amendments,
Article - Public Utilities
Section 13-201 and 13-202
Annotated Code of Maryland
(2010 Replacement Volume)”.

AMENDMENT NO. 2

On page 2, in line 7, strike the comma; strike beginning with “AVERAGE” in line 10 down through “SERVED” in line 13 and substitute “SUM OF THE CUSTOMER INTERRUPTION HOURS DIVIDED BY THE TOTAL NUMBER OF CUSTOMERS SERVED”; strike beginning with “AVERAGE” in line 15 down through “SERVED” in line 17 and substitute “SUM OF THE NUMBER OF CUSTOMER INTERRUPTIONS DIVIDED BY THE TOTAL NUMBER OF CUSTOMERS SERVED”; strike lines 18 through 20, inclusive, and substitute:

“(B) IT IS THE GOAL OF THE STATE THAT EACH ELECTRIC COMPANY PROVIDE ITS CUSTOMERS WITH HIGH LEVELS OF SERVICE QUALITY AND RELIABILITY IN A COST-EFFECTIVE MANNER, AS MEASURED BY OBJECTIVE AND VERIFIABLE STANDARDS, AND THAT EACH ELECTRIC COMPANY BE HELD ACCOUNTABLE IF IT FAILS TO DELIVER RELIABLE SERVICE ACCORDING TO THOSE STANDARDS.”;

in line 21, strike “REGULATIONS ADOPTED UNDER THIS” and substitute “THIS”; in the same line, strike “MAY” and substitute “DOES”; in line 26, after “COMPANIES”

insert "THROUGH THEIR DISTRIBUTION SYSTEMS"; and in line 29, strike "STANDARD" and substitute "PERFORMANCE MEASUREMENT".

On page 3, in line 1, after "(E)" insert "(1)"; in line 3, strike "(1)" and substitute "(I)"; after line 8, insert:

5. PERIODIC EQUIPMENT INSPECTIONS;

in lines 5, 6, 7, 8, 9, and 10, strike "(I)", "(II)", "(III)", "(IV)", "(V)", and "(VI)", respectively, and substitute "1.", "2.", "3.", "4.", "6.", and "7.", respectively; in line 4, after "INCLUDING" insert "STANDARDS RELATING TO"; in line 6, strike "REPAIR" and substitute "RESPONSE"; and in line 7, strike "SERVICE QUALITY" and substitute "CUSTOMER COMMUNICATIONS".

AMENDMENT NO. 3

On page 3, after line 11, insert:

(II) ACCOUNT FOR MAJOR OUTAGES CAUSED BY EVENTS OUTSIDE THE CONTROL OF AN ELECTRIC COMPANY; AND

(III) FOR AN ELECTRIC COMPANY THAT FAILS TO MEET THE APPLICABLE SERVICE QUALITY AND RELIABILITY STANDARDS, REQUIRE THE COMPANY TO FILE A CORRECTIVE ACTION PLAN THAT DETAILS SPECIFIC ACTIONS THE COMPANY WILL TAKE TO MEET THE STANDARDS.;

in line 12, before "INCLUDE" insert "THE REGULATIONS ADOPTED UNDER SUBSECTION (D) OF THIS SECTION MAY"; in line 14, after "FACTORS" insert a comma; in line 18, strike "; AND" and substitute a period; strike in their entirety lines 19 through 25, inclusive; and after line 25, insert:

“(3) IN ADOPTING THE REGULATIONS REQUIRED UNDER SUBSECTION (D) OF THIS SECTION, THE COMMISSION SHALL:

(I) CONSIDER APPLICABLE STANDARDS OF THE INSTITUTE OF ELECTRICAL AND ELECTRONICS ENGINEERS;

(II) ENSURE THAT THE SERVICE QUALITY AND RELIABILITY STANDARDS ARE COST-EFFECTIVE; AND

(III) WITH RESPECT TO STANDARDS RELATING TO VEGETATION MANAGEMENT, CONSIDER:

1. LIMITATIONS ON AN ELECTRIC COMPANY’S RIGHT TO ACCESS PRIVATE PROPERTY; AND

2. CUSTOMER ACCEPTANCE OF VEGETATION MANAGEMENT INITIATIVES.”.

AMENDMENT NO. 4

On page 4, in line 6, after “(2)” insert “(I) THIS PARAGRAPH DOES NOT APPLY TO ELECTRIC COOPERATIVES.

(II)”;

in line 8, after the first “THE” insert “APPLICABLE”; strike beginning with “ADOPTED” in line 8 down through “SECTION” in line 9; in line 9, after “INCLUDING” insert “, ON OR AFTER JULY 1, 2014, THE IMPOSITION OF”; in line 10, after “NONCOMPLIANCE” insert “AS PROVIDED IN § 13-201 OF THIS ARTICLE”; strike lines 11 through 19, inclusive; in line 20, strike “(4)” and substitute “(III)”; and in line 22, strike “MAY” and substitute “FEBRUARY”.

On page 5, in line 12, strike “AND”; in line 14, after “TIME” insert “;AND”

6. TO THE EXTENT PRACTICABLE, A BREAKDOWN, BY THE NUMBER OF DAYS EACH CUSTOMER WAS WITHOUT ELECTRIC SERVICE, OF THE NUMBER OF CUSTOMERS THAT EXPERIENCED AN OUTAGE”;

after line 14, insert:

“(3) AT THE REQUEST OF AN ELECTRIC COMPANY, THE COMMISSION SHALL HOLD A HEARING TO DISCUSS THE ANNUAL PERFORMANCE REPORT OF THE ELECTRIC COMPANY.

(H) THIS SECTION MAY NOT BE CONSTRUED TO LIMIT THE COMMISSION’S AUTHORITY TO ADOPT AND ENFORCE ENGINEERING AND SAFETY STANDARDS FOR ELECTRIC COMPANIES.

13–201.

(a) This section does not apply to a violation of the following provisions of this article:

(1) Title 5, Subtitle 4;

(2) Title 7, Subtitle 1;

(3) **§ 7-213 AS IT APPLIES TO ELECTRIC COOPERATIVES;**

(4) Title 8, Subtitles 1 and 3;

~~[(4)]~~ (5) Title 9, Subtitle 3; and

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~~[(5)] (6)~~ Title 8, Subtitle 4.

(b) (1) Except as provided in paragraph (2) of this subsection, the Commission may impose a civil penalty not exceeding \$10,000 against a person who violates a provision of this division, or an effective and outstanding direction, ruling, order, rule, or regulation of the Commission.

(2) The civil penalty that the Commission may impose on a common carrier for each violation may not exceed \$2,500.

(c) (1) A civil penalty may be imposed in addition to any other penalty authorized by this division.

(2) Each violation is a separate offense.

(3) Each day or part of a day the violation continues is a separate offense.

(d) The Commission shall determine the amount of any civil penalty after considering:

(1) the number of previous violations of any provision of this article;

(2) the gravity of the current violation;

(3) the good faith efforts of the violator in attempting to achieve compliance after notification of the violation; and

(4) any other matter that the Commission considers appropriate and relevant.

(e) A civil penalty collected under this section shall be paid into the General Fund of the State.

13-202.

(a) In this section, "safety violation" means a condition or activity likely to cause injury or harm to an individual or property.

(b) This section does not apply to a safety violation by a gas company that is subject to § 13-203 of this subtitle.

(c) (1) Subject to paragraph (2) of this subsection, a public service company that violates a provision of this division that relates to safety is subject to a civil penalty not exceeding [~~\$500~~] **\$10,000** for each violation for each day that the violation persists.

(2) [~~The maximum civil penalty may not exceed:~~

(i) \$50,000 for a related series of violations; or

(ii) ~~for] FOR a common carrier, THE MAXIMUM CIVIL PENALTY MAY NOT EXCEED \$500 for each violation or related series of violations stemming from a single safety inspection.~~

(d) In determining the amount of a civil penalty imposed under this section, the Commission shall consider the:

(1) appropriateness of the penalty to the size of the public service company;

(2) number of previous violations of this article by the public service company;

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(3) gravity of the current violation; and

(4) good faith of the public service company in attempting to achieve compliance after notification of the violation.

(e) The public service company involved may request reconsideration of a penalty imposed under this section within 30 days after the date of notification of the determination.

SECTION 2. AND BE IT FURTHER ENACTED, That the Maryland Public Service Commission shall:

(1) review current regulations, tariffs, or standards relating to electric company responsibility for customer damages caused by electrical surges and assess the feasibility of obtaining information from electric companies regarding the extent of electrical surges and customer damages that result from electrical surges;

(2) study the feasibility of incorporating an electric company's service restoration plan into the electric company's reliability plan; and

(3) on or before January 1, 2012, report its findings to the Senate Finance Committee and the House Economic Matters Committee, in accordance with § 2-1246 of the State Government Article.

SECTION 3. AND BE IT FURTHER ENACTED, That the Public Service Commission shall convene a stakeholder workgroup to provide recommendations regarding the regulations to be adopted by the Commission under this Act.”;

and in line 15, strike “2.” and substitute “4.”.