

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

House Bill 1314
Economic Matters

(Delegate Myers)

Finance

Public Service Commission - Public Service Company - Definition

This bill specifies that the definition of “public service company” does not include a campground that provides water, electric, gas, sewage, or telephone service to campers incident to the campground’s primary business of operating and maintaining the campground.

Fiscal Summary

State Effect: The bill does not materially affect State finances or operations.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The Public Service Commission (PSC) has authority to regulate public service companies in the State to promote adequate, economical, and efficient delivery of utility services without unjust discrimination. A “public service company” includes a common carrier company, electric company, gas company, sewage disposal company, telegraph company, telephone company, water company, or any combination of public service companies. A public service company must furnish equipment, services, and facilities that are safe, adequate, just, reasonable, economical, and efficient, considering the conservation of natural resources and the quality of the environment.

An “electric company” is a person who physically transmits or distributes electricity to a retail electric customer. Generally, an electric company does not include a person who

transmits or distributes electricity within a site owned by the person or the person's affiliate that is incidental to a primarily landlord-tenant relationship.

Generally, a "gas company" is a public service company that is authorized to install or maintain gas facilities or transmits, sells, supplies, or distributes artificial or natural gas. A "water company" is a public service company that owns a water plant and sells or distributes water for gain. A "telephone company" is a public service company that owns telephone lines or leases, licenses, or sells telephone or teletype communications. A "sewage disposal company" is a privately owned public service company that owns or maintains facilities for the disposal of sewage.

Background: In July 2010, PSC received a request to determine whether water and sewage rates set by a campground and charged to lot owners are subject to PSC jurisdiction. Based on an analysis of State law and case law, PSC determined that water and sewer services provided by the campground were incidental to the primary purpose of operating and maintaining the campground and park area and, therefore, the campground is not considered a public service company.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Public Service Commission, Department of Legislative Services

Fiscal Note History: First Reader - March 22, 2011
ncs/lgc

Analysis by: Erik P. Timme

Direct Inquiries to:
(410) 946-5510
(301) 970-5510