

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE

Senate Bill 14

(Senator Middleton, *et al.*)

Finance

Economic Matters

Utility Service Protection Program - Annual Report - Deadline

This bill extends the annual deadline – from June 1 to September 1 – by which the Public Service Commission (PSC) must report to the General Assembly on terminations of service by public service companies during the previous heating season.

The bill takes effect June 1, 2013.

Fiscal Summary

State Effect: None. Altering the deadline for the annual reporting requirement does not directly affect governmental finances.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: PSC must report to the General Assembly by June 1 of each year on terminations of service by public service companies during the previous heating season. “Termination of service” means the termination, reduction, or refusal to reinstate gas or electric service, or any other action that has the effect of reducing or denying gas or electric service because of nonpayment. The report must include sufficient detail to indicate the effect of the termination of service on various categories of customers, including income levels, geographic areas, energy assistance recipients, and any other category PSC deems relevant.

Statute requires PSC to adopt regulations concerning the prohibition against or limitation of authority of a public service company to terminate service for gas or electricity to a low-income residential customer during the heating season for nonpayment. The regulations (COMAR 20.31.05) require each gas, electric, or electric and gas company to provide and administer a Utility Service Protection Program (USPP) before November 1 of each year. USPP is designed to protect low-income residential customers from utility service termination during the winter. The program helps low-income customers avoid accumulation of arrearages, which could lead to service terminations, by requiring timely equal monthly utility payments for participants based on the estimated cost of annual service to the household.

Customers are eligible for USPP if they are eligible and have applied for a grant from the Maryland Energy Assistance Program (MEAP) and meet other specified requirements. The most recent PSC annual report summarizes the 2011-2012 winter heating season, and indicates that there were 70,892 USPP participants. This is significantly lower than the 2010-2011 and 2009-2010 winter heating seasons, which averaged 84,700 each year. The 2008-2009 and 2007-2008 winter heating seasons averaged 69,200 participants. Service termination for USPP participants was 1% during the 2011-2012 winter heating season, compared to 0.9% during the 2010-2011 winter heating season and 1.2% during the 2009-2010 winter heating season.

MEAP and the Electric Universal Service Program (EUSP) also assist low-income Marylanders by making electricity and heating more affordable. The average MEAP grant to USPP participants during the 2011-2012 winter heating season was \$288. In fiscal 2012, the average EUSP assistance was \$334 for bill payments and \$928 for bill arrearages.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - January 7, 2013
ncs/lgc

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