

Department of Legislative Services  
Maryland General Assembly  
2016 Session

FISCAL AND POLICY NOTE  
First Reader

Senate Bill 1157  
Finance

(Senator Klausmeier)

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**Public Service Company - Easement - Policy and Notice for Performing Work**

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The bill requires each public service company to establish a policy and procedures for performing work on property subject to the public service company's easement. The policy and procedures must provide that if a public service company has not entered onto property subject to easement within the past two years, the company must provide two months' notice to the property owner of the land subject to the easement before entering the property.

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**Fiscal Summary**

**State Effect:** The Public Service Commission (PSC) can handle the bill's requirements with existing budgeted resources. Revenues are not affected.

**Local Effect:** The bill applies to all public service companies, which includes water/sewer companies and electric companies operated by local governments. To the extent that the bill requires policies and procedures not currently in place for these companies, local government finances and operations are affected. The amount of any increased costs cannot be reliably estimated at this time, but on the whole are expected to be minimal.

**Small Business Effect:** Minimal.

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**Analysis**

**Current Law:** There is no general requirement in Maryland law that public service companies adopt policies and procedures to provide property owners notice before commencing work on an easement. There are limited instances of required customer notification. For example, PSC regulations require each electric company to make a

reasonable attempt to notify an owner or occupant of all properties upon which cyclical, planned vegetation management is to be performed – which can be from 7 to 120 days prior to performing the vegetation management and may be provided by direct mailing, door hanger, postcard, personal contact, or a different method if approved by PSC. Further, each electric company or its contractor must provide written notice of any cyclical, planned vegetation management activities to a primary contact for each county and municipality affected at least two months before commencing the activities unless the county or municipality notifies the electric company that written notification is not required.

After providing notice and an opportunity for interested parties to be heard, PSC may adopt regulations that prescribe standards for safe, adequate, reasonable, and proper service for any class of public service company or gas master meter operator. PSC may enforce these standards and by order, as PSC considers necessary, require changes and additions in the service of any public service company or gas master meter operator, including (1) repairs or improvements in plant; (2) increase in motive power; and (3) change in schedule or manner of operations.

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.

**Background:** Generally, an easement is a limited interest in land, that limits (1) the amount of ground affected; (2) the purpose for which the nonpossessory interest is granted; and (3) who may exercise the interest. It may be limited in time or continue in perpetuity. Public service companies have easements for the areas where they have or may have infrastructure – pipes, wires, etc.

**Additional Comments:** It is unclear if the policies and procedures required to be adopted by the State’s public service companies in accordance with the bill could include exceptions for emergency or imminent safety-related repairs, as the bill does not specifically authorize or prohibit such exceptions.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Public Service Commission, Office of People’s Counsel, Department of Legislative Services

**Fiscal Note History:** First Reader - March 18, 2016  
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Analysis by: Stephen M. Ross

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