

SENATE BILL 392

C5, O1

EMERGENCY BILL

1lr1122
CF 1lr1121

By: **Senator Augustine**

Introduced and read first time: January 15, 2021

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Electricity and Gas – Limited–Income Mechanisms**

3 FOR the purpose of authorizing certain utility companies to adopt a limited–income
4 mechanism to benefit certain eligible limited–income customers, subject to the
5 approval of the Public Service Commission; authorizing various forms that a
6 mechanism may take; requiring a utility company to apply for approval of a
7 mechanism by the Commission in certain manners; requiring a proposal for a
8 mechanism to allocate certain costs across rate classes; providing for the required
9 contents of a proposal for a mechanism; requiring the Office of Home Energy
10 Programs to certify an eligible limited–income customer’s qualifications under
11 certain circumstances; providing that an eligible limited–income customer who
12 participates in a certain mechanism may also be eligible for certain other assistance
13 programs; establishing that certain services provided to eligible limited–income
14 customers under a certain mechanism are not subject to certain limitations;
15 declaring the intent of the General Assembly; defining certain terms; making this
16 Act an emergency measure; and generally relating to limited–income customers and
17 utility services.

18 BY adding to

19 Article – Public Utilities

20 Section 4–308

21 Annotated Code of Maryland

22 (2020 Replacement Volume and 2020 Supplement)

23 BY repealing and reenacting, with amendments,

24 Article – Public Utilities

25 Section 4–503

26 Annotated Code of Maryland

27 (2020 Replacement Volume and 2020 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Public Utilities**

4 **4–308.**

5 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
6 INDICATED.

7 (2) “ELIGIBLE LIMITED–INCOME CUSTOMER” MEANS A RESIDENTIAL
8 CUSTOMER OF A UTILITY COMPANY WITH ANNUAL INCOME THAT:

9 (I) IS AT OR BELOW 175% OF THE FEDERAL POVERTY LEVEL;

10 (II) FOR A CUSTOMER AT LEAST 67 YEARS OF AGE, IS AT OR
11 BELOW 200% OF THE FEDERAL POVERTY LEVEL; OR

12 (III) MEETS A DESIGNATION APPROVED BY THE COMMISSION.

13 (3) “LIMITED–INCOME MECHANISM” OR “MECHANISM” MEANS A
14 PROCESS APPROVED BY THE COMMISSION UNDER THIS SECTION TO BENEFIT AN
15 ELIGIBLE LIMITED–INCOME CUSTOMER OF A UTILITY COMPANY.

16 (4) “UTILITY COMPANY” MEANS:

17 (I) AN ELECTRIC COMPANY, A GAS AND ELECTRIC COMPANY,
18 OR A GAS COMPANY; OR

19 (II) A MUNICIPAL ELECTRIC UTILITY.

20 (B) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT THE SOCIETAL
21 BENEFITS OF A WELL–CONSTRUCTED LIMITED–INCOME MECHANISM TO BENEFIT
22 MARYLAND’S ELIGIBLE LIMITED–INCOME CUSTOMERS ARE IN THE PUBLIC
23 INTEREST.

24 (C) (1) SUBJECT TO THE APPROVAL OF THE COMMISSION, A UTILITY
25 COMPANY MAY ADOPT A LIMITED–INCOME MECHANISM TO BENEFIT AN ELIGIBLE
26 LIMITED–INCOME CUSTOMER.

27 (2) THE MECHANISM MAY TAKE THE FORM OF A PROGRAM, TARIFF
28 PROVISION, CREDIT, RATE, RIDER, OR OTHER MEANS TO ASSIST AN ELIGIBLE
29 LIMITED–INCOME CUSTOMER TO AFFORD A UTILITY SERVICE.

1 **(D) (1) A UTILITY COMPANY THAT PROPOSES A LIMITED-INCOME**
2 **MECHANISM FOR COMMISSION APPROVAL UNDER SUBSECTION (C) OF THIS SECTION**
3 **SHALL INCLUDE THE PROPOSAL IN:**

4 **(I) AN APPLICATION FOR A BASE RATE PROCEEDING,**
5 **INCLUDING AN ALTERNATIVE RATE PROCEEDING, OR ANY OTHER PROCEEDING TO**
6 **ALTER THE UTILITY COMPANY'S BASE RATES UNDER THE AUTHORITY OF THE**
7 **COMMISSION; OR**

8 **(II) A SEPARATE APPLICATION FOR APPROVAL OF THE**
9 **MECHANISM.**

10 **(2) A PROPOSAL SUBMITTED UNDER THIS SECTION SHALL FULLY**
11 **ALLOCATE THE COSTS OF THE LIMITED-INCOME MECHANISM ACROSS RATE**
12 **CLASSES.**

13 **(3) THE PROPOSAL SHALL INCLUDE:**

14 **(I) A DETAILED DESCRIPTION OF THE PROPOSED MECHANISM;**

15 **(II) THE PROPOSED METHOD FOR ALLOCATING THE**
16 **MECHANISM'S COSTS ACROSS CUSTOMER CLASSES;**

17 **(III) THE RATIONALE SUPPORTING THE UTILITY COMPANY'S**
18 **PROPOSAL FOR A MECHANISM TO BENEFIT THE ELIGIBLE LIMITED-INCOME**
19 **CUSTOMERS IN THE UTILITY COMPANY'S SERVICE TERRITORY; AND**

20 **(IV) ANY OTHER INFORMATION THE COMMISSION CONSIDERS**
21 **NECESSARY OR USEFUL TO EVALUATE THE PROPOSAL.**

22 **(E) IF AN APPROVED LIMITED-INCOME MECHANISM REQUIRES THAT THE**
23 **OFFICE OF HOME ENERGY PROGRAMS MUST CERTIFY AN ELIGIBLE**
24 **LIMITED-INCOME CUSTOMER'S QUALIFICATIONS TO PARTICIPATE IN A**
25 **LIMITED-INCOME MECHANISM, THE OFFICE SHALL CERTIFY AN ELIGIBLE**
26 **LIMITED-INCOME CUSTOMER'S QUALIFICATIONS BEFORE THE CUSTOMER MAY**
27 **PARTICIPATE IN THE MECHANISM.**

28 **(F) AN ELIGIBLE LIMITED-INCOME CUSTOMER WHO PARTICIPATES IN A**
29 **MECHANISM UNDER THIS SECTION MAY ALSO BE ELIGIBLE FOR OTHER ASSISTANCE**
30 **PROGRAMS OFFERED IN THE STATE, INCLUDING THOSE OFFERED BY A UTILITY**
31 **COMPANY OR THE OFFICE OF HOME ENERGY PROGRAMS, THE DEPARTMENT OF**
32 **HOUSING AND COMMUNITY DEVELOPMENT, OR ANY OTHER PUBLIC OR PRIVATE**
33 **SOURCE.**

1 4-503.

2 (a) This section does not apply to service rendered or commodities furnished:

3 (1) to the officers, employees, pensioners, and immediate family members
4 of the officers, employees, and pensioners of a public service company;

5 (2) to the United States, the State, or a local government;

6 (3) to provide relief in cases of general epidemic, pestilence, flood, or other
7 similar calamity;

8 (4) in the case of common carriers, to transport:

9 (i) personnel of another common carrier that reciprocates for
10 personnel of the transporting common carrier;

11 (ii) hospital patients;

12 (iii) indigent, destitute, and homeless individuals;

13 (iv) persons exclusively engaged in charitable work;

14 (v) residents of federal or State veterans homes, including those
15 about to enter a home or those returning from a home;

16 (vi) railway mail service employees and baggage agents;

17 (vii) post office, customs, and immigration inspectors;

18 (viii) newspaper vendors;

19 (ix) property for exhibition carried to or from fairs and expositions;

20 (x) employees of sleeping car companies, express companies,
21 telegraph companies, and telephone companies doing business along the line of the common
22 carrier;

23 (xi) persons and property incident to or connected with contracts for
24 construction, operation, or maintenance of the plant of the transportation company, to the
25 extent provided in the contracts;

26 (xii) individuals injured in accidents and physicians, nurses, or other
27 necessary caretakers attending the injured individuals in transit;

28 (xiii) children under the age of 5 years for no charge;

1 (xiv) children under 12 years for half fare; or

2 (xv) persons at free or reduced rates that are otherwise authorized by
3 law;

4 (5) in the case of common carriers, for the issuance of mileage, excursion,
5 or commuter tickets;

6 (6) to free steamboat excursion transportation from May through August
7 of each year, from Baltimore City to any place in the State, in exchange for services
8 rendered in advertising the excursion business;

9 (7) to obtain essential data by a method that uses a limited sample of
10 customers, in connection with a rate structure study conducted under formal proceedings
11 before the Commission; [or]

12 (8) to telephone lifeline service provided to eligible subscribers under §
13 8–201 of this article; OR

14 **(9) TO ELECTRICITY OR GAS SERVICE PROVIDED TO ELIGIBLE**
15 **LIMITED-INCOME CUSTOMERS THROUGH AN APPROVED LIMITED-INCOME**
16 **MECHANISM UNDER § 4–308 OF THIS TITLE.**

17 (b) For any service rendered or commodity furnished, a public service company
18 may not directly or indirectly, by any means, including special rates, rebates, drawbacks,
19 or refunds:

20 (1) charge, demand, or receive from a person compensation that is greater
21 or less than from any other person under substantially similar circumstances;

22 (2) extend a privilege or facility to a person, except those privileges and
23 facilities that are extended uniformly to all persons under substantially similar
24 circumstances;

25 (3) discriminate against a person, locality, or particular class of service; or

26 (4) give undue or unreasonable preference to or cause undue or
27 unreasonable prejudice to a person, locality, or particular class of service.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency
29 measure, is necessary for the immediate preservation of the public health or safety, has
30 been passed by a yea and nay vote supported by three-fifths of all the members elected to
31 each of the two Houses of the General Assembly, and shall take effect from the date it is
32 enacted.