

SENATE BILL 21

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1999 Regular Session
9r0284

(PRE-FILED)

By: **Senator Lawlah**
Requested: August 26, 1998
Introduced and read first time: January 13, 1999
Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Gas Companies and Electric Companies - Rates - Reductions**

3 FOR the purpose of requiring the Public Service Commission to establish gas and
4 electric service rate reductions for certain eligible customers; requiring the
5 Commission to impose certain surcharges on certain services; requiring the
6 Commission to authorize certain companies to add a certain amount to
7 customers' bills; requiring the Comptroller to collect certain revenue and place it
8 in a certain fund; providing that the fund is not subject to certain provisions;
9 providing for revenue to accrue to the fund; requiring the Comptroller to
10 reimburse certain companies for certain costs; excepting certain eligible
11 customers from certain laws under certain circumstances; defining terms; and
12 generally relating to gas and electric service rate reductions for eligible
13 customers.

14 BY adding to
15 Article - Public Utility Companies
16 Section 4-307
17 Annotated Code of Maryland
18 (1998 Volume)

19 BY repealing and reenacting, with amendments,
20 Article - Public Utility Companies
21 Section 4-503
22 Annotated Code of Maryland
23 (1998 Volume)

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

1

Article - Public Utility Companies

2 4-307.

3 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
4 INDICATED.

5 (2) "ELIGIBLE RESIDENTIAL CUSTOMER" MEANS AN INDIVIDUAL WHO IS
6 A GAS OR ELECTRIC CUSTOMER AND WHO HAS A FAMILY INCOME AT OR BELOW 200%
7 OF THE FEDERAL POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES
8 PUBLISHED BY THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.

9 (3) "FUND" MEANS THE UNIVERSAL SERVICE PROGRAM FUND.

10 (4) "UNIVERSAL SERVICE PROGRAM" MEANS GAS AND ELECTRIC
11 SERVICE PROVIDED TO ELIGIBLE RESIDENTIAL CUSTOMERS AT A DISCOUNT SET BY
12 THE COMMISSION.

13 (B) (1) THE COMMISSION SHALL ESTABLISH JUST AND REASONABLE RATE
14 REDUCTIONS FOR GAS AND ELECTRIC SERVICE FOR ELIGIBLE RESIDENTIAL
15 CUSTOMERS.

16 (2) (I) THE COMMISSION SHALL IMPOSE A UNIVERSAL SERVICE
17 PROGRAM SURCHARGE ON GAS AND ELECTRIC SERVICE FOR CUSTOMERS IN THE
18 STATE.

19 (II) THIS SURCHARGE SHALL BE ASSESSED ON A MONTHLY BASIS.

20 (3) THE COMMISSION SHALL AUTHORIZE EACH GAS COMPANY AND
21 ELECTRIC COMPANY TO ADD THE PRORATED AMOUNT OF THE UNIVERSAL SERVICE
22 PROGRAM SURCHARGE TO THE COMPANY'S CUSTOMERS' BILLS FOR CUSTOMERS IN
23 THE STATE.

24 (C) (1) THE COMPTROLLER SHALL COLLECT THE REVENUE FROM THE
25 SURCHARGE IMPOSED UNDER SUBSECTION (B) OF THIS SECTION AND PLACE THE
26 REVENUE INTO THE UNIVERSAL SERVICE PROGRAM FUND.

27 (2) THE FUND IS A SPECIAL, NONLAPSING FUND NOT SUBJECT TO §
28 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

29 (3) THE PURPOSE OF THE FUND IS TO REIMBURSE GAS COMPANIES AND
30 ELECTRIC COMPANIES FOR THE COST OF THE RATE REDUCTIONS ESTABLISHED BY
31 THE COMMISSION FOR ELIGIBLE RESIDENTIAL CUSTOMERS.

32 (4) THE COMPTROLLER SHALL ADMINISTER COLLECTION OF THE
33 SURCHARGE FROM EACH GAS COMPANY AND ELECTRIC COMPANY, AND THE MONEY
34 COLLECTED SHALL ACCRUE TO THE FUND.

35 (5) THE COMMISSION SHALL REIMBURSE A GAS COMPANY OR ELECTRIC
36 COMPANY FROM THE FUND FOR THE COSTS INCURRED BY THE COMPANY DUE TO

1 THE UNIVERSAL SERVICE RATE REDUCTION FOR ELIGIBLE RESIDENTIAL
2 CUSTOMERS ORDERED BY THE COMMISSION UNDER SUBSECTION (B) OF THIS
3 SECTION.

4 4-503.

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

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

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

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

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

12 (i) personnel of another common carrier that reciprocates for
13 personnel of the transporting common carrier;

14 (ii) hospital patients;

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

16 (iv) persons exclusively engaged in charitable work;

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

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

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

21 (viii) newspaper vendors;

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

23 (x) employees of sleeping car companies, express companies,
24 telegraph companies, and telephone companies doing business along the line of the
25 common carrier;

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

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

31 (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
3 by 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
11 proceedings 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 GAS AND ELECTRIC SERVICE CUSTOMERS ELIGIBLE FOR
15 DISCOUNTED RATES UNDER § 4-307 OF THIS TITLE.

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

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

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

24 (3) discriminate against a person, locality, or particular class of service;
25 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 shall take effect
29 October 1, 1999.