

SENATE BILL 126

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1999 Regular Session  
9r0628

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By: **Senators Lawlah, Exum, and Currie**  
Introduced and read first time: January 22, 1999  
Assigned to: Finance

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A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of requiring the Public Service Commission to establish certain gas  
4 and electric service rates based upon ability to pay; requiring the Commission to  
5 conduct certain proceedings; requiring the Commission to submit certain reports  
6 under certain circumstances; defining certain terms; and generally relating to  
7 adjusted gas and electric service rates for eligible residential customers.

8 BY adding to  
9 Article - Public Utility Companies  
10 Section 4-307  
11 Annotated Code of Maryland  
12 (1998 Volume)

13 BY repealing and reenacting, with amendments,  
14 Article - Public Utility Companies  
15 Section 4-503  
16 Annotated Code of Maryland  
17 (1998 Volume)

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

20 **Article - Public Utility Companies**

21 4-307.

22 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
23 INDICATED.

24 (2) "ELIGIBLE RESIDENTIAL CUSTOMER" MEANS AN INDIVIDUAL WHO IS  
25 A GAS OR ELECTRIC RESIDENTIAL CUSTOMER AND WHO HAS A FAMILY INCOME AT  
26 OR BELOW 200% OF THE FEDERAL POVERTY GUIDELINES FOR THE 48 CONTIGUOUS  
27 STATES PUBLISHED BY THE FEDERAL DEPARTMENT OF HEALTH AND HUMAN  
28 RESOURCES.

1 (3) "UNIVERSAL SERVICE PROGRAM" MEANS GAS AND ELECTRIC  
2 SERVICE PROVIDED TO ELIGIBLE RESIDENTIAL CUSTOMERS AT RATES SET BY THE  
3 COMMISSION, BASED UPON THE ELIGIBLE RESIDENTIAL CUSTOMER'S ABILITY TO  
4 PAY.

5 (B) THE COMMISSION SHALL ESTABLISH JUST AND REASONABLE RATES FOR  
6 GAS AND ELECTRIC SERVICE FOR ELIGIBLE RESIDENTIAL CUSTOMERS IN THE STATE  
7 BASED UPON THE ELIGIBLE RESIDENTIAL CUSTOMER'S ABILITY TO PAY.

8 (C) THE COMMISSION SHALL CONDUCT PROCEEDINGS TO:

9 (1) ESTABLISH THE STANDARDS AND PROCEDURES UNDER THIS  
10 SECTION;

11 (2) IMPLEMENT THE REQUIREMENTS OF THIS SECTION; AND

12 (3) DETERMINE THE COSTS AND REVENUES OF THE UNIVERSAL  
13 SERVICE PROGRAM.

14 (D) IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON  
15 OR BEFORE JUNE 1 OF EACH YEAR, THE COMMISSION SHALL REPORT TO THE  
16 GENERAL ASSEMBLY ON THE BENEFITS AND COSTS ASSOCIATED WITH THE  
17 UNIVERSAL SERVICE PROGRAM ESTABLISHED UNDER THIS SECTION.

18 4-503.

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

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

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

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

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

26 (i) personnel of another common carrier that reciprocates for  
27 personnel of the transporting common carrier;

28 (ii) hospital patients;

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

30 (iv) persons exclusively engaged in charitable work;

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

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

- 1 (vii) post office, customs, and immigration inspectors;
- 2 (viii) newspaper vendors;
- 3 (ix) property for exhibition carried to or from fairs and expositions;
- 4 (x) employees of sleeping car companies, express companies,  
5 telegraph companies, and telephone companies doing business along the line of the  
6 common carrier;
- 7 (xi) persons and property incident to or connected with contracts for  
8 construction, operation, or maintenance of the plant of the transportation company, to  
9 the extent provided in the contracts;
- 10 (xii) individuals injured in accidents and physicians, nurses, or other  
11 necessary caretakers attending the injured individuals in transit;
- 12 (xiii) children under the age of 5 years for no charge;
- 13 (xiv) children under 12 years for half fare; or
- 14 (xv) persons at free or reduced rates that are otherwise authorized  
15 by law;
- 16 (5) in the case of common carriers, for the issuance of mileage, excursion,  
17 or commuter tickets;
- 18 (6) to free steamboat excursion transportation from May through August  
19 of each year, from Baltimore City to any place in the State, in exchange for services  
20 rendered in advertising the excursion business;
- 21 (7) to obtain essential data by a method that uses a limited sample of  
22 customers, in connection with a rate structure study conducted under formal  
23 proceedings before the Commission; [or]
- 24 (8) to telephone lifeline service provided to eligible subscribers under §  
25 8-201 of this article; OR
- 26 (9) TO GAS AND ELECTRIC SERVICE CUSTOMERS ELIGIBLE FOR  
27 ADJUSTED RATES UNDER § 4-307 OF THIS TITLE.
- 28 (b) For any service rendered or commodity furnished, a public service  
29 company may not directly or indirectly, by any means, including special rates,  
30 rebates, drawbacks, or refunds:
- 31 (1) charge, demand, or receive from a person compensation that is  
32 greater or less than from any other person under substantially similar circumstances;
- 33 (2) extend a privilege or facility to a person, except those privileges and  
34 facilities that are extended uniformly to all persons under substantially similar  
35 circumstances;

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

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

5       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
6 October 1, 1999.