

**Department of Legislative Services**  
Maryland General Assembly  
2003 Session

**FISCAL AND POLICY NOTE**  
**Revised**

House Bill 158  
Economic Matters

(Delegates Owings and Branch)

Finance

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**Public Utilities - Natural Gas Universal Service Program Task Force**

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This bill creates a 15-member Natural Gas Universal Service Program Task Force to identify low-income gas customers who need help paying their heating bills, identify forms of assistance for these customers, analyze assistance programs in this State and other states, identify assistance funding sources for these customers, develop models for assistance, and recommend options for meeting these customers' energy needs. The task force must report its recommendations to the Public Service Commission (PSC), the Governor, and the General Assembly by December 31, 2003. PSC will staff the task force.

The bill is effective July 1, 2003 and terminates June 30, 2004.

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**Fiscal Summary**

**State Effect:** Any expense reimbursements for task force members and related staffing costs are assumed to be minimal and absorbable within existing budgeted resources.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** The Department of Human Resources (DHR) administers the Electric Universal Service Program (EUSP) which provides cash assistance and weatherization services to eligible low-income Maryland residents. Chapters 3 and 4 of 1999 required

PSC to establish EUSP. Under the EUSP program, the State spent approximately \$30 million in special funds in fiscal 2002 and served 58,263 customers. In fiscal 2002, \$3.97 million in special funds were carried over into the current fiscal year, \$3.5 million of which was set aside for DHR's Weatherization Assistance Program. The program provides weatherization services such as weather stripping, caulking, and plastic window coverings to make homes more energy efficient.

An EUSP applicant is eligible for assistance if the applicant is an electric customer, lives in Maryland, has total household countable income that does not exceed 150% of the federal poverty level, and is a U.S. citizen, legal immigrant admitted for permanent residence or otherwise legally residing in the United States, or a qualified alien.

The Maryland Energy Assistance Program helps low-income State residents meet heating costs through local administering agencies under the federal Low-Income Home Energy Assistance Act. In fiscal 2002, the State spent \$19,999,246 in federal funds and assisted 66,186 customers.

**State Fiscal Effect:** PSC contends that it could not staff the task force with existing employees and would have to pay a consultant \$200,000 in fiscal 2004 to fulfill the bill's requirements. PSC states that a consulting firm would probably need to pay an economist, a researcher, and a secretary to fulfill the bill's requirements. However, PSC did not provide details as to how many hours the consultants would work and what they would specifically do.

The Department of Legislative Services disagrees with PSC's expenditure estimate and believes PSC should be able to assume staffing duties to the task force within existing resources. Task force members would provide the needed expertise to investigate the establishment of a natural gas universal service program.

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### **Additional Information**

**Prior Introductions:** A similar bill was introduced as HB 268 in the 2002 session. It passed in the House but received an unfavorable report by the Senate Finance Committee.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 3, 2003  
mam/jr Revised - House Third Reader - March 20, 2003

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