
By: **Senator Hughes**
Introduced and read first time: February 6, 2004
Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Gas and Electric Companies - Service Termination**

3 FOR the purpose of prohibiting certain public service companies from terminating
4 gas or electricity services to certain customers during a certain period; and
5 generally relating to the termination of gas and electricity services.

6 BY repealing and reenacting, with amendments,
7 Article - Public Utility Companies
8 Section 7-307
9 Annotated Code of Maryland
10 (1998 Volume and 2003 Supplement)

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

13 **Article - Public Utility Companies**

14 7-307.

15 (a) In this section, "termination of service" means the termination, reduction,
16 or refusal to reinstate gas or electric service, or any other action that has the effect of
17 reducing or denying gas or electric service because of nonpayment.

18 (b) (1) Subject to [paragraph (2)] PARAGRAPHS (2) AND (3) of this
19 subsection, the Commission shall adopt regulations concerning the prohibition
20 against or limitation of authority of a public service company to terminate service for
21 gas or electricity to a low income residential customer during the heating season for
22 nonpayment.

23 (2) In adopting the regulations required under paragraph (1) of this
24 subsection, the Commission shall consider and may include provisions relating to:

25 (i) the circumstances under which service may and may not be
26 limited or terminated;

- 1 (ii) the minimum heating levels required to maintain life, health,
2 and safety;
- 3 (iii) the medical, age, disabling, or other individual characteristics
4 that are relevant to a prohibition against or limitation on the termination of service;
- 5 (iv) the availability of and qualification for State and federal energy
6 assistance;
- 7 (v) the financial eligibility standards relevant to a prohibition
8 against or limitation on the termination of service;
- 9 (vi) the availability and appropriateness of equipment designed to
10 limit the flow of service for gas or electricity;
- 11 (vii) the short-term and long-term alternative payment plans, for
12 appropriate customers whose accounts are in arrears, that are best designed:
- 13 1. to allow present and future continuation of service; and
14 2. to encourage full payment over a period of time;
- 15 (viii) the methods that a public service company might use before and
16 during the heating season to anticipate customer nonpayment, to assist those
17 customers, and to avoid termination of service;
- 18 (ix) the procedures that a public service company uses to mitigate
19 the problems of termination of service to customers, including customer contact;
- 20 (x) the procedure that a public service company shall follow before
21 termination of service to a customer to avoid a threat to life, health, or safety;
- 22 (xi) the appropriate customer notice before the termination of
23 service;
- 24 (xii) the appropriate opportunity and procedure for a customer to
25 contest a proposed termination of service;
- 26 (xiii) the existence of other circumstances that because of an
27 emergency, might justify a prohibition against or a limitation on the termination of
28 service; and
- 29 (xiv) the economic implication of any restriction on termination of
30 service.

31 (3) DURING THE HEATING SEASON, A PUBLIC SERVICE COMPANY MAY
32 NOT TERMINATE SERVICE FOR GAS OR ELECTRICITY TO A RESIDENTIAL CUSTOMER
33 FOR NONPAYMENT IF THE RESIDENTIAL CUSTOMER HAS AN ANNUAL INCOME NOT
34 EXCEEDING \$40,000.

1 (c) (1) In accordance with § 2-1246 of the State Government Article, on or
2 before June 1 of each year, the Commission shall report to the General Assembly on
3 terminations of service by public service companies during the previous heating
4 season.

5 (2) The report shall include information in sufficient detail to indicate
6 the effect of the terminations of service on various categories of customers, including:

7 (i) income levels;

8 (ii) geographic areas;

9 (iii) energy assistance recipients; and

10 (iv) any other category that the Commission determines is relevant
11 to evaluate how the State may best address the problem of assuring adequate gas and
12 electric service for low income residential customers.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
14 effect October 1, 2004.