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By: **Delegate McHale**

Introduced and read first time: January 26, 2005

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Electric Universal Service Program - Weatherization Component - Transfer**

3 FOR the purpose of transferring responsibility for administering the low-income  
4 weatherization component of the electric universal service program from the  
5 Department of Human Resources to the Department of Housing and  
6 Community Development; requiring the Department of Human Resources,  
7 through the Office of Home Energy Programs, to be responsible for  
8 administering certain components of the electric universal service program;  
9 authorizing the Department of Human Resources to contract to assist in  
10 administering certain components of the electric universal service program  
11 under certain circumstances; altering the Public Service Commission's oversight  
12 responsibility so that it has oversight responsibility for certain components of  
13 the electric universal service program; requiring the Department of Housing  
14 and Community Development to report periodically to the General Assembly on  
15 the low-income weatherization component; requiring the Comptroller to  
16 disburse annually a certain amount of low-income weatherization funds to the  
17 Department of Housing and Community Development; renaming a certain  
18 program; requiring certain funds to be transferred by the Department of Human  
19 Resources to the Department of Housing and Community Development on a  
20 certain date; and generally relating to the electric universal service program.

21 BY repealing and reenacting, with amendments,  
22 Article - Public Utility Companies  
23 Section 7-512.1  
24 Annotated Code of Maryland  
25 (1998 Volume and 2004 Supplement)

26 BY repealing and reenacting, with amendments,  
27 Article - Housing and Community Development  
28 Section 2-102  
29 Annotated Code of Maryland  
30 (As enacted by Chapter \_\_\_\_ (H.B. 11) of the Acts of the General Assembly of  
31 2005)

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

3 **Article - Public Utility Companies**

4 7-512.1.

5 (a) (1) The Commission shall establish [a] AN ELECTRIC universal service  
6 program to assist electric customers with annual incomes at or below 150% of the  
7 federal poverty level.

8 (2) [The Department of Human Resources shall be responsible for  
9 administering the universal service program through the Office of Home Energy  
10 Programs.

11 (3) The Department of Human Resources may, with input from a panel  
12 or roundtable of interested parties, contract with a for-profit or a nonprofit Maryland  
13 corporation existing as of July 1, 1999 to assist in administering the universal service  
14 program.

15 (4) The Commission shall have oversight responsibility for the universal  
16 service program.

17 (5)] The components of the ELECTRIC universal service program shall  
18 include:

19 (i) bill assistance, at a minimum of 50% of the determined need;

20 (ii) low-income weatherization; and

21 (iii) the retirement of arrearages for electric customers who have not  
22 previously received assistance in retiring arrearages under the universal service  
23 program, not to exceed a total of \$1.5 million in any given fiscal year.

24 (3) THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT IS  
25 RESPONSIBLE FOR ADMINISTERING THE LOW-INCOME WEATHERIZATION  
26 COMPONENT OF THE ELECTRIC UNIVERSAL SERVICE PROGRAM.

27 (4) THE DEPARTMENT OF HUMAN RESOURCES, THROUGH THE OFFICE  
28 OF HOME ENERGY PROGRAMS, IS RESPONSIBLE FOR ADMINISTERING THE BILL  
29 ASSISTANCE AND THE ARREARAGE RETIREMENT COMPONENTS OF THE ELECTRIC  
30 UNIVERSAL SERVICE PROGRAM.

31 (5) THE DEPARTMENT OF HUMAN RESOURCES MAY, WITH INPUT FROM  
32 A PANEL OR ROUNDTABLE OF INTERESTED PARTIES, CONTRACT TO ASSIST IN  
33 ADMINISTERING THE BILL ASSISTANCE AND THE ARREARAGE RETIREMENT  
34 COMPONENTS OF THE ELECTRIC UNIVERSAL SERVICE PROGRAM.

1 (6) THE COMMISSION HAS OVERSIGHT RESPONSIBILITY FOR THE BILL  
2 ASSISTANCE AND THE ARREARAGE RETIREMENT COMPONENTS OF THE ELECTRIC  
3 UNIVERSAL SERVICE PROGRAM.

4 [(6)] (7) In a specific case, the ELECTRIC universal service program may  
5 waive the income eligibility limitation under paragraph (1) of this subsection in order  
6 to provide assistance to an electric customer who would qualify for a similar waiver  
7 under the Maryland Energy Assistance Program established under Article 41, § 6-406  
8 of the Code.

9 (b) (1) [(i)] All customers shall contribute to the funding of the ELECTRIC  
10 universal service program through a charge collected by each electric company.

11 [(ii)] In the first 6 months after the initial implementation date, the  
12 Commission shall consider adjustments to the charges collected for the universal  
13 service program for persons that are not eligible for customer choice.]

14 (2) The Commission shall determine a fair and equitable allocation for  
15 collecting the charges among all customer classes pursuant to subsection [(d)] (E) of  
16 this section.

17 (3) In accordance with subsection [(f)(5)](F)(6) of this section, any  
18 unexpended [universal service program] BILL ASSISTANCE AND ARREARAGE  
19 RETIREMENT funds returned to customers under subsection (f) of this section shall be  
20 returned to each customer class as a credit in the same proportion that the customer  
21 class contributed charges to the fund.

22 (4) An electric company shall recover ELECTRIC universal service  
23 program costs in accordance with § 7-512 of this subtitle.

24 (5) The Commission shall determine the allocation of the ELECTRIC  
25 universal service charge among the generation, transmission, and distribution rate  
26 components of all classes.

27 (6) The Commission may not assess the ELECTRIC universal service  
28 surcharge on a per kilowatt-hour basis.

29 (c) (1) On or before December 1 of each year, the Commission shall report,  
30 subject to § 2-1246 of the State Government Article, to the General Assembly on the  
31 ELECTRIC universal service program, including:

32 (i) subject to subsection [(d)] (E) of this section, a recommendation  
33 on the total amount of funds for the program for the following fiscal year based on:

34 1. the level of participation in and the amounts expended  
35 [from the universal service program] ON BILL ASSISTANCE AND ARREARAGE  
36 RETIREMENT during the preceding fiscal year;

37 2. how BILL ASSISTANCE AND ARREARAGE RETIREMENT  
38 payments [to customers] were calculated during the preceding fiscal year;





1 [(d)] (E) The total amount of funds to be collected for the ELECTRIC universal  
2 service program each year shall be \$34,000,000, allocated in the following manner:

3 (1) \$24.4 million shall be collected from the industrial and commercial  
4 classes; and

5 (2) \$9.6 million shall be collected from the residential class.

6 [(e) Notwithstanding any other provision of this article, for the 3 years  
7 immediately following the initial implementation date, electricity suppliers and  
8 electric companies may not terminate, for an arrearage balance due on the initial  
9 implementation date, the supply of electricity to a customer who receives assistance  
10 under the universal service program under this section.]

11 (f) (1) In this subsection, "fund" means the ELECTRIC universal service  
12 program fund.

13 (2) There is [a] AN ELECTRIC universal service program fund.

14 (3) (i) 1. The Comptroller shall collect the revenue collected by  
15 electric companies under subsection (b) of this section and place the revenue into the  
16 fund.

17 2. The General Assembly may appropriate funds  
18 supplemental to the funds collected under sub-subparagraph 1 of this subparagraph.

19 (ii) The fund is a continuing, nonlapsing fund that is not subject to  
20 § 7-302 of the State Finance and Procurement Article.

21 (iii) The purpose of the fund is to assist electric customers as  
22 provided in subsection (a)(1) of this section.

23 (4) The Department of Human Resources, with oversight by the  
24 Commission, shall disburse the BILL ASSISTANCE AND ARREARAGE RETIREMENT  
25 funds in accordance with the provisions of this section.

26 (5) THE COMPTROLLER ANNUALLY SHALL DISBURSE \$1,000,000 OF  
27 LOW-INCOME WEATHERIZATION FUNDS TO THE DEPARTMENT OF HOUSING AND  
28 COMMUNITY DEVELOPMENT.

29 [(5)] (6) (i) At the end of a given fiscal year, any unexpended BILL  
30 ASSISTANCE AND ARREARAGE RETIREMENT funds that were collected for that fiscal  
31 year shall be retained in the fund and shall be made available for disbursement  
32 through the first 3 months of the next fiscal year to customers who:

33 1. qualify for assistance from the fund during the given fiscal  
34 year;

35 2. apply for assistance from the fund before the end of the  
36 given fiscal year; and



1 corporations by supplying needed managerial expertise through circuit riding  
2 managers; [and]

3 (9) administer federal programs to community assistance; AND

4 (10) DEVELOP AND IMPLEMENT A WEATHERIZATION PROGRAM IN  
5 ACCORDANCE WITH TITLE 4 OF THIS ARTICLE AND ADMINISTER THE LOW-INCOME  
6 WEATHERIZATION COMPONENT OF THE ELECTRIC UNIVERSAL SERVICE PROGRAM IN  
7 ACCORDANCE WITH § 7-512.1 OF THE PUBLIC UTILITY COMPANIES ARTICLE.

8 SECTION 2. AND BE IT FURTHER ENACTED, That on October 30, 2005, any  
9 unexpended fiscal year 2005 funds designated by the Public Service Commission to be  
10 disbursed for the low-income weatherization component of the electric universal  
11 service program shall be transferred from the Department of Human Resources to the  
12 Department of Housing and Community Development to be used for low-income  
13 weatherization projects.

14 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
15 October 1, 2005.