
By: **Senators Klausmeier, Exum, and Pipkin**
Introduced and read first time: January 21, 2005
Assigned to: Finance

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.