

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

Senate Bill 540
Finance

(Senators Klausmeier and Middleton)

Electricity Suppliers - Customer Information

This bill requires an electric company, under certain circumstances, to share specified customer information with an electricity supplier.

Fiscal Summary

State Effect: The bill's requirements could be handled with existing resources.

Local Effect: None.

Small Business Effect: Potential meaningful benefit to electricity suppliers and small commercial electric customers.

Analysis

Bill Summary: The bill requires an electric company to provide an electricity supplier with an electronic list of information on residential and small commercial customers in the electric company's service territory at the request of the electricity supplier. The electricity supplier may only use the information for purposes of marketing electricity supply and electricity supply services. An electricity supplier may not sell or transfer this customer information to any other person or affiliate.

The information in the list provided should include the name, billing address, service address, utility rate class, and the utility Standard Offer Service type of each customer. An electric company must provide written notice to customers stating what information will be shared with an electricity supplier and provide the opportunity for the customer to

refuse to allow that customer's information to be shared. A customer is deemed to have authorized the sharing of information if the customer either returns notice explicitly granting permission or if a response is not received within 21 days after notice is given. Notice must be given to each customer at least once a year and a customer may withdraw permission from sharing of information at any time.

The customer list is to be updated quarterly and an electric company providing a customer list may request PSC to set a fee to be paid by the electricity supplier requesting the customer list.

Current Law: An “electric company” is an entity that physically transmits or distributes electricity to a retail customer. An “electricity supplier” includes an electric company, an aggregator, a broker, and a marketer of electricity.

The Maryland Customer Choice and Competition Act of 1999 (Chapter 4) allows retail customers to select the electricity supply provider of their choice. It also provides for licensing of competitive suppliers, and allows the pricing of electricity supply to be determined by market forces.

Background: Public Service Commission (PSC) Rulemaking 17, initiated in July 2005, proposes regulations to establish consumer protections for residential and small commercial customers of electric suppliers. The proposal includes regulations governing the interaction of residential and small commercial customers with electricity suppliers and electric utilities, as well as regulations to govern interaction between the electricity suppliers and electric utilities. The proposed regulations include provisions on the sharing of customer information similar to those included in this bill. The Administrative, Executive, and Legislative Review Committee considered those regulations in January 2006 and voted to delay ruling on the customer list provisions until further discussions with PSC.

Small Business Effect: The bill would increase the ability of electricity suppliers to market services to residential and small commercial customers by granting them direct-mail access to customers of an electric company. Small commercial electric customers may benefit from an increase retail electric competition.

Additional Information

Prior Introductions: SB 561 of 2006 was a similar bill as amended. The bill passed the Senate, but received an unfavorable report by the House Economic Matters Committee.

Cross File: None.

Information Source(s): Public Service Commission, Office of People's Counsel,
Department of Legislative Services

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Analysis by: Erik P. Timme

Direct Inquiries to:
(410) 946-5510
(301) 970-5510