

HOUSE BILL 1002

C5

EMERGENCY BILL

9lr2688

By: **Delegates Conaway, Anderson, and Boteler**

Introduced and read first time: February 13, 2009

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Public Service Companies – Gas and Electric Service – Alternative Payment**
3 **Agreements**

4 FOR the purpose of requiring the Public Service Commission to adopt regulations by a
5 certain date to limit the authority of a public service company to terminate gas
6 or electric service to a residential customer in arrears under certain
7 circumstances; requiring certain regulations to require a public service company
8 to offer customers the option of entering into a certain alternative payment
9 agreement, and prohibit the public service company from terminating service to
10 the customer or filing a negative credit report on the customer under certain
11 circumstances; requiring a certain offer to be in writing and contain certain
12 information under certain circumstances; requiring the rate and schedule of
13 repayment in a certain agreement to be designed to address certain criteria;
14 making this Act an emergency measure; providing for the termination of this
15 Act; and generally relating to the termination of gas and electric service by a
16 public service company to residential customers.

17 BY adding to

18 Article – Public Utility Companies

19 Section 7–307.1

20 Annotated Code of Maryland

21 (2008 Replacement Volume and 2008 Supplement)

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

24 **Article – Public Utility Companies**

25 **7–307.1.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(A) ON OR BEFORE AUGUST 1, 2009, THE COMMISSION SHALL ADOPT**
2 **REGULATIONS THAT LIMIT THE AUTHORITY OF A PUBLIC SERVICE COMPANY TO**
3 **TERMINATE SERVICE FOR GAS OR ELECTRICITY TO A RESIDENTIAL CUSTOMER**
4 **OF ANY INCOME LEVEL WHEN THE CUSTOMER IS THREATENED FOR THE FIRST**
5 **TIME IN A CALENDAR YEAR WITH THE TERMINATION OF SERVICES DUE TO**
6 **NONPAYMENT.**

7 **(B) THE REGULATIONS THAT THE COMMISSION ADOPTS UNDER**
8 **SUBSECTION (A) OF THIS SECTION SHALL:**

9 **(1) REQUIRE THE PUBLIC SERVICE COMPANY TO OFFER THE**
10 **CUSTOMER THE OPTION OF ENTERING INTO AN ALTERNATIVE PAYMENT**
11 **AGREEMENT, IN LIEU OF IMMEDIATE TERMINATION OF SERVICE, THAT WOULD**
12 **ALLOW THE CUSTOMER TO PAY ANY ARREARS ON AN ACCOUNT OVER A PERIOD**
13 **OF TIME AND AT A RATE OF REPAYMENT SPECIFIED IN THE AGREEMENT;**

14 **(2) PROHIBIT THE PUBLIC SERVICE COMPANY FROM**
15 **TERMINATING SERVICE FOR AS LONG AS THE CUSTOMER IS PAYING ACCORDING**
16 **TO THE SCHEDULE IN THE AGREEMENT; AND**

17 **(3) PROHIBIT THE PUBLIC SERVICE COMPANY FROM FILING A**
18 **NEGATIVE CREDIT REPORT ON A CUSTOMER FOR AS LONG AS THE CUSTOMER IS**
19 **PAYING ACCORDING TO THE SCHEDULE IN THE AGREEMENT.**

20 **(C) THE OFFER OF THE ALTERNATIVE PAYMENT AGREEMENT UNDER**
21 **SUBSECTION (B)(1) SHALL:**

22 **(1) BE MADE IN WRITING; AND**

23 **(2) EXPLAIN THE RIGHTS AND OBLIGATIONS OF A CUSTOMER**
24 **ENTERING INTO AN ALTERNATIVE PAYMENT AGREEMENT.**

25 **(D) THE SCHEDULE AND RATE OF REPAYMENT UNDER AN ALTERNATIVE**
26 **PAYMENT AGREEMENT SHALL BE DESIGNED TO:**

27 **(1) ALLOW PRESENT AND FUTURE CONTINUATION OF SERVICE;**

28 **(2) ENSURE THE MINIMUM LEVEL OF SERVICE REQUIRED TO**
29 **MAINTAIN LIFE, HEALTH, AND SAFETY; AND**

30 **(3) ENCOURAGE FULL REPAYMENT OVER A PERIOD OF TIME.**

31 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency**
32 **measure, is necessary for the immediate preservation of the public health or safety,**

1 has been passed by a ye and nay vote supported by three-fifths of all the members
2 elected to each of the two Houses of the General Assembly, and shall take effect from
3 the date it is enacted.

4 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall remain
5 effective for a period of 4 years from the date it is enacted and, at the end of the 4-year
6 period, with no further action required by the General Assembly, this Act shall be
7 abrogated and of no further force and effect.