

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

House Bill 1058 (Delegate Shank)
Economic Matters

Electric Companies - Residential Rates

This bill requires an electric company to apply a residential rate included in its filed tariff to all buildings located in an area zoned for residential use, including garages and other buildings ancillary to a residence. This requirement does not apply to a home-based business or any other commercial enterprise.

Fiscal Summary

State Effect: The Public Service Commission (PSC) can implement the bill with existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: An electric company may bill its customers for electricity or any other service it renders at the rate the company filed in its tariff, which is approved through an order made by PSC. Each electric company tariff defines what constitutes a residential or nonresidential customer and the applicable rates for each customer class.

Background: Zoning codes regulate what takes place on privately, and sometimes publicly, owned lands through controls on three elements: use, shape, and bulk. Use regulations control the location of residential, commercial, and industrial development in separate sections of a jurisdiction or in designated mixed-use

developments. Shape refers to where to locate objects on a lot. Bulk requirements regulate the size of the buildings on a lot (height, width, and floor area).

Generally speaking, rates charged to electricity customers are independent of whether a property is designated as a residential or commercial zone by local ordinance. The definition of a “residential customer” varies for each electric company but generally requires that electricity is used primarily for a residential dwelling and may include ancillary buildings on the customer’s property subject to certain conditions. **Appendix 1** provides a brief description of what constitutes a residential customer, as specified in different electric company tariffs.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Planning, Office of People’s Counsel, Public Service Commission, Allegheny Power, Baltimore Gas and Electric Company, Delmarva Power and Light Company, Hagerstown Light Department, PEPCO, Department of Legislative Services

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ncs/lgc

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Appendix 1

Summaries of Selected Electric Utility Residential Tariffs

Allegheny Power

Residential customers may receive service through one meter to a household or tenant living in a separate dwelling unit, such as a house, mobile home, or separate apartment in a building. Each such dwelling unit should have a separate kitchen, use electric energy for general household service. This may include use of electric energy for lighting the yard, private garages and/or barns which are adjacent to and on the same parcel as the residence being served and are used exclusively by the resident being served.*

Baltimore Gas & Electric Company

Residential electric rates are generally available to meet the domestic requirements of a customer's dwelling, subject to certain limitations. Residential rates also apply to a customer with multiple buildings on one property if they use the same electric meter and at least 50% of energy consumption is for domestic purposes. Additionally, if served through a separate meter, appliances used in common by the occupants of up to two dwelling units in a building may be charged rates under the residential customer tariff.

Delmarva Power & Light Company

Residential service is available to any customer desiring service for a household and other related uses in a single private dwelling or dwelling unit, farmstead, or estate with pertinent detached buildings.

Hagerstown Light Department

Residential service includes electricity provided to a residence occupied by the customer and may allow for a small store, office or the like, within the building, either with or without a store front, provided the total installation used for purposes other than residential is not greater than the installation and in any case not greater than 500 watts.

PEPCO

Residential electric rates apply to single-family structures, townhouse structures, and multifamily structures (other) of not more than four dwelling units per address and having a total load that will not exceed a demand (as determined by the Company) of 400 amperes at 120/240 or 120/208 volts single phase. Should the electrical demand from a structure containing more than one dwelling unit exceed the 400 ampere limit, it shall be treated as "Commercial-Industrial" for purposes of service connection policy regardless of the rate schedule applicable to such service. A dwelling unit is a building or portion thereof arranged or designed for occupancy by not more than one family for living purposes and having cooking facilities.

*The residential schedule includes service to a residence that has a commercial enterprise or office within it, provided the total installation used for nonresidential purposes is not greater than 500 watts.