

Department of Legislative Services  
Maryland General Assembly  
2012 Session

FISCAL AND POLICY NOTE

Senate Bill 449

(Senator Middleton)

Finance

Economic Matters

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Electric Service Quality and Reliability Standards - Deadlines

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This bill alters the deadlines for when an electric company must submit an annual performance report to the Public Service Commission (PSC) and when PSC must determine if each electric company has met certain annual service quality and reliability standards.

The bill takes effect July 1, 2012.

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Fiscal Summary

**State Effect:** None. Altering deadlines for reporting requirements will not directly affect governmental finances.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Current Law:** The Maryland Electricity Service Quality and Reliability Act of 2011 (Chapters 167 and 168) requires PSC, by July 1, 2012, to adopt regulations implementing service quality and reliability standards using System-Average Interruption Duration Index, System-Average Interruption Frequency Index, and any other standard PSC determines to be reasonable for the delivery of electricity to retail customers by electric companies. By February 1 of each year, each electric company must submit an annual performance report to PSC summarizing the service reliability results for the

preceding year. At the request of an electric company, PSC must hold a hearing to discuss its annual performance report.

By July 1, 2013, and by July 1 annually thereafter, PSC must determine if each electric company has met the service quality and reliability standards and take appropriate corrective action against an electric company that fails to meet any or all of the applicable standards, including appropriate civil penalties for noncompliance. Electric companies may not recover the cost of any civil penalty from ratepayers.

**Background:** After convening a stakeholder workgroup required under Chapters 167 and 168 of 2011, PSC finished drafting the required regulations in December 2011 after several days of public rulemaking sessions. The draft regulations were submitted to the Joint Committee on Administrative, Executive, and Legislative Review in January 2012 and are expected to be published for comment in March 2012. During the rulemaking sessions, it became apparent that the reporting and evaluation deadlines under current law need adjustment, as the February 1 date creates a difficult timeline for electric companies to provide reliability results from the previous year. PSC advises that, although it was able to shape the proposed regulations in a way that allows utilities to report statutorily-essential data on February 1 and other data on April 1, it would be a better solution to simply change the February 1 date in statute to April 1, and give PSC ample time to review the performance reports by changing the July 1 date in statute to September 1.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 280 (Delegate Feldman) - Economic Matters.

**Information Source(s):** Public Service Commission, Department of Legislative Services

**Fiscal Note History:** First Reader - February 7, 2012  
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