

# HOUSE BILL 1159

C5

(3lr0645)

## ENROLLED BILL

— *Economic Matters/Finance* —

Introduced by **Delegates Kramer, Arora, Barkley, Bobo, Carr, Dumais, Luedtke, McDonough, Mizeur, Simmons, and Wood**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
Speaker.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Electric Companies – Service Restoration – ~~Prioritized~~ Special Medical**  
3 **Needs Facilities**

4 FOR the purpose of altering a requirement that the Public Service Commission, on or  
5 before a certain date, and each year thereafter, determine whether certain  
6 electric companies have met certain service quality and reliability standards;  
7 making stylistic changes; requiring the Secretary of Health and Mental Hygiene  
8 to establish and distribute to ~~an~~ each electric company a list of certain special  
9 medical needs facilities by a certain date each year and to post the list on the  
10 Department’s Web site; requiring the Secretary to establish a procedure for a  
11 certain facility to remove its information from the list; declaring the intent of  
12 the General Assembly; ~~requiring an electric company to post certain~~  
13 information on its Web site by a certain date; requiring an electric company to  
14 submit a report containing certain information as part of a certain report to the

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### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

*Italics indicate opposite chamber/conference committee amendments.*



1 Commission by a certain date; ~~requiring the Commission to adopt regulations~~  
 2 ~~relating to the quality and reliability of electrical service to certain facilities by~~  
 3 ~~a certain date; requiring certain regulations to include certain service quality~~  
 4 ~~and reliability standards, account for certain major outages, and require an~~  
 5 ~~electric company to evaluate ways to simplify the delivery of service to certain~~  
 6 ~~facilities if it fails to meet certain service quality and reliability standards;~~  
 7 ~~authorizing the Commission to include in certain regulations a separate~~  
 8 ~~reliability standard for each electric company;~~ specifying that the adoption of  
 9 certain standards does not prohibit the Commission from taking *certain*  
 10 corrective action against ~~an~~ *a certain* electric company under certain  
 11 circumstances; defining a certain term; requiring the Commission to submit a  
 12 certain report to the General Assembly on or before a certain date; and  
 13 generally relating to the restoration of electrical service and special medical  
 14 needs facilities.

15 BY repealing and reenacting, without amendments,  
 16 Article – Public Utilities  
 17 Section 5–302  
 18 Annotated Code of Maryland  
 19 (2010 Replacement Volume and 2012 Supplement)

20 BY repealing and reenacting, with amendments,  
 21 Article – Public Utilities  
 22 Section 7–213  
 23 Annotated Code of Maryland  
 24 (2010 Replacement Volume and 2012 Supplement)

25 BY adding to  
 26 Article – Public Utilities  
 27 Section 7–213.1  
 28 Annotated Code of Maryland  
 29 (2010 Replacement Volume and 2012 Supplement)

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

32 **Article – Public Utilities**

33 5–302.

34 (a) Except as provided in subsection (b) of this section, a public service  
 35 company shall file with the Commission:

36 (1) an annual report for the preceding calendar year; and

37 (2) special reports, information, contracts, records, and copies as  
 38 required by the Commission.

1 (b) Unless otherwise directed by the Commission, a public service company is  
2 not required to comply with subsection (a) of this section if the public service company  
3 is:

4 (1) a common carrier; or

5 (2) a telephone company whose rates are not regulated by the  
6 Commission under Title 4 of this article.

7 (c) The Commission may require a public service company that files  
8 documents under subsection (a) of this section to file the documents under oath.

9 7-213.

10 (a) (1) In this section the following words have the meanings indicated.

11 (2) “System-average interruption duration index” or “SAIDI” means  
12 the sum of the customer interruption hours divided by the total number of customers  
13 served.

14 (3) “System-average interruption frequency index” or “SAIFI” means  
15 the sum of the number of customer interruptions divided by the total number of  
16 customers served.

17 (b) It is the goal of the State that each electric company provide its  
18 customers with high levels of service quality and reliability in a cost-effective manner,  
19 as measured by objective and verifiable standards, and that each electric company be  
20 held accountable if it fails to deliver reliable service according to those standards.

21 (c) This section does not apply to small rural electric cooperatives or  
22 municipal electric companies.

23 (d) On or before July 1, 2012, the Commission shall adopt regulations that  
24 implement service quality and reliability standards relating to the delivery of  
25 electricity to retail customers by electric companies through their distribution  
26 systems, using:

27 (1) SAIFI;

28 (2) SAIDI; and

29 (3) any other performance measurement that the Commission  
30 determines to be reasonable.

31 (e) (1) The regulations adopted under subsection (d) of this section shall:

1 (i) include service quality and reliability standards, including  
2 standards relating to:

- 3 1. service interruption;
- 4 2. downed wire response;
- 5 3. customer communications;
- 6 4. vegetation management;
- 7 5. periodic equipment inspections;
- 8 6. annual reliability reporting; and
- 9 7. any other standards established by the Commission;

10 (ii) account for major outages caused by events outside the  
11 control of an electric company; and

12 (iii) for an electric company that fails to meet the applicable  
13 service quality and reliability standards, require the **ELECTRIC** company to file a  
14 corrective action plan that details specific actions the company will take to meet the  
15 standards.

16 (2) The regulations adopted under subsection (d) of this section may  
17 include a separate reliability standard for each electric company in order to account  
18 for system reliability differentiating factors, including:

- 19 (i) system design;
- 20 (ii) existing infrastructure;
- 21 (iii) customer density; and
- 22 (iv) geography.

23 (3) In adopting the regulations required under subsection (d) of this  
24 section, the Commission shall:

25 (i) consider applicable standards of the Institute of Electrical  
26 and Electronics Engineers;

27 (ii) ensure that the service quality and reliability standards are  
28 cost-effective; and

1 (iii) with respect to standards relating to vegetation  
2 management, consider:

3 1. limitations on an electric company's right to access  
4 private property; and

5 2. customer acceptance of vegetation management  
6 initiatives.

7 (f) (1) On or before [September 1, 2013, and] September 1 of each year  
8 [thereafter], the Commission shall determine whether each electric company has met  
9 the service quality and reliability standards adopted by the Commission for that  
10 electric company under subsection (d) of this section **AND UNDER § 7-213.1(E) OF**  
11 **THIS SUBTITLE.**

12 (2) (i) This paragraph does not apply to electric cooperatives.

13 (ii) The Commission shall take appropriate corrective action  
14 against an electric company that fails to meet any or all of the applicable service  
15 quality and reliability standards, including the imposition of appropriate civil  
16 penalties for noncompliance as provided in § 13-201 of this article.

17 (iii) An electric company may not recover the cost of any civil  
18 penalty paid under this section from ratepayers.

19 (g) (1) On or before April 1 of each year, each electric company shall  
20 submit to the Commission an annual performance report that summarizes the actual  
21 electric service reliability results for the preceding year.

22 (2) The annual performance report shall include:

23 (i) the electric company's average 3-year performance results;

24 (ii) actual year-end performance measure results;

25 (iii) an assessment of the results and effectiveness of the  
26 reliability objectives, planned actions and projects, programs, and load studies in  
27 achieving an acceptable reliability level; and

28 (iv) annual information that the Commission determines  
29 necessary to assess the electric company's efforts to maintain reliable electric service  
30 to all customers in the electric company's service territory, including:

31 1. current year expenditures, labor resource hours, and  
32 progress measures for each capital and maintenance program designed to support the  
33 maintenance of reliable electric service;

- 1                                   2.     the number of outages by outage type;
- 2                                   3.     the number of outages by outage cause;
- 3                                   4.     the total number of customers that experienced an  
4 outage;
- 5                                   5.     the total customer minutes of outage time; and
- 6                                   6.     to the extent practicable, a breakdown, by the number  
7 of days each customer was without electric service, of the number of customers that  
8 experienced an outage.

9                   (3)     At the request of an electric company, the Commission shall hold a  
10 hearing to discuss the annual performance report of the electric company.

11                   (h)     This section may not be construed to limit the Commission's authority to  
12 adopt and enforce engineering and safety standards for electric companies.

13 **7-213.1.**

14                   **(A)     IN THIS SECTION, "~~PRIORITIZED~~ SPECIAL MEDICAL NEEDS**  
15 **FACILITY" INCLUDES:**

16                                   **(1)     AN ASSISTED LIVING FACILITY AS DEFINED IN § 19-1801 OF**  
17 **THE HEALTH – GENERAL ARTICLE;**

18                                   **(2)     A CONGREGATE HOUSING SERVICES PROGRAM UNDER TITLE**  
19 **10, SUBTITLE 2 OF THE HUMAN SERVICES ARTICLE;**

20                                   **(3)     A HOSPICE FACILITY AS DEFINED IN § 19-901 OF THE HEALTH**  
21 **– GENERAL ARTICLE;**

22                                   **(4)     A HOSPITAL AS DEFINED IN § 19-301 OF THE HEALTH –**  
23 **GENERAL ARTICLE OR A SIMILAR INSTITUTION;**

24                                   **(5)     A NURSING HOME AS DEFINED IN § 19-1401 OF THE HEALTH –**  
25 **GENERAL ARTICLE; OR**

26                                   **(6)     ANY OTHER TYPE OF FACILITY THAT THE ~~SECRETARY OF~~**  
27 **~~HEALTH AND MENTAL HYGIENE DESIGNATES AS HOUSING VULNERABLE~~**  
28 **~~RESIDENTS~~ COMMISSION DESIGNATES IN REGULATION AS A SPECIAL MEDICAL**  
29 **NEEDS FACILITY.**

1 (B) THE PURPOSE OF THIS SECTION IS TO:

2 (1) FURTHER THE SERVICE QUALITY AND RELIABILITY GOALS  
3 UNDER § 7-213 OF THIS SUBTITLE AS THEY RELATE TO ~~A PRIORITIZED FACILITY~~  
4 SPECIAL MEDICAL NEEDS FACILITIES; AND

5 (2) ENCOURAGE THE ~~SIMPLIFIED~~ RELIABLE DELIVERY OF  
6 SERVICE TO ~~A PRIORITIZED FACILITY~~ SPECIAL MEDICAL NEEDS FACILITIES.

7 (C) ~~ON OR BEFORE JANUARY 1 OF EACH YEAR, THE~~ THE SECRETARY  
8 OF HEALTH AND MENTAL HYGIENE SHALL:

9 (1) ON OR BEFORE JANUARY 1 OF EACH YEAR, ESTABLISH AND  
10 PROVIDE A LIST OF ~~PRIORITIZED~~ SPECIAL MEDICAL NEEDS FACILITIES,  
11 INCLUDING THE LICENSED CAPACITY OF EACH FACILITY, TO EACH ELECTRIC  
12 COMPANY FOR ITS SERVICE TERRITORY;

13 (2) POST THE LIST REQUIRED UNDER ITEM (1) OF THIS  
14 SUBSECTION ON THE WEB SITE OF THE DEPARTMENT OF HEALTH AND MENTAL  
15 HYGIENE; AND

16 (3) ESTABLISH A PROCEDURE TO ALLOW A SPECIAL MEDICAL  
17 NEEDS FACILITY TO REMOVE ITS INFORMATION FROM THE LIST ESTABLISHED  
18 UNDER ITEM (1) OF THIS SUBSECTION.

19 (D) ON OR BEFORE APRIL 1 OF EACH YEAR, AN ELECTRIC COMPANY  
20 SHALL:

21 (1) ~~POST ON THE ELECTRIC COMPANY'S WEB SITE THE NAME AND~~  
22 ~~ADDRESS OF EACH PRIORITIZED SPECIAL MEDICAL NEEDS FACILITY THAT~~  
23 ~~OPERATES IN ITS SERVICE TERRITORY; AND~~

24 (2) ~~SUBMIT TO THE COMMISSION AN ANNUAL PERFORMANCE~~  
25 ~~REPORT FOR EACH SERVICE INTERRUPTION TO A PRIORITIZED FACILITY IN THE~~  
26 ~~SERVICE TERRITORY OF THE ELECTRIC COMPANY THAT INCLUDES:~~

27 (i) ~~THE DATE, DURATION, AND KNOWN CAUSE OF EACH~~  
28 ~~SERVICE INTERRUPTION DURING THE PRECEDING CALENDAR YEAR; AND~~

29 (ii) ~~THE ACTIONS TAKEN TO PREVENT FUTURE SERVICE~~  
30 ~~INTERRUPTIONS AS PART OF THE ELECTRIC COMPANY'S ANNUAL~~  
31 PERFORMANCE REPORT UNDER § 7-213(G) OF THIS SUBTITLE;

1                    (I) A LIST OF SPECIAL MEDICAL NEEDS FACILITIES THAT  
 2 ARE SERVED BY PROTECTIVE DEVICES THAT ACTIVATED FIVE OR MORE TIMES  
 3 DURING THE REPORTING PERIOD, RESULTING IN A POWER OUTAGE;

4                    (II) A LIST OF SPECIAL MEDICAL NEEDS FACILITIES THAT  
 5 EXPERIENCED A SERVICE INTERRUPTION THAT:

6                    1. EXCEEDED 4 CONSECUTIVE HOURS DURING THE  
 7 REPORTING PERIOD; AND

8                    2. WAS REPORTED TO OR WAS OTHERWISE KNOWN  
 9 TO THE ELECTRIC COMPANY;

10                   (III) A LIST OF SPECIAL MEDICAL NEEDS FACILITIES THAT  
 11 ARE SERVED BY THE 3% OF FEEDERS ASSIGNED TO AN ELECTRIC COMPANY'S  
 12 SERVICE TERRITORY IN THE STATE THAT ARE IDENTIFIED BY THE ELECTRIC  
 13 COMPANY AS HAVING THE POOREST RELIABILITY DURING THE REPORTING  
 14 PERIOD; AND

15                   (IV) A DESCRIPTION OF THE ELECTRIC COMPANY'S  
 16 PERFORMANCE IN ASSESSING AND ACTING TO REMEDIATE, AND FUTURE PLANS  
 17 AND PROPOSALS TO IMPROVE, THE RELIABILITY OF FEEDERS AND PROTECTIVE  
 18 DEVICES IDENTIFIED UNDER THIS SUBSECTION.

19                   ~~(E) ON OR BEFORE OCTOBER 1, 2013, THE COMMISSION SHALL ADOPT~~  
 20 ~~REGULATIONS THAT IMPLEMENT SERVICE QUALITY AND RELIABILITY~~  
 21 ~~STANDARDS RELATING TO THE DELIVERY OF ELECTRICITY TO A PRIORITIZED~~  
 22 ~~FACILITY.~~

23                   ~~(F) (1) THE REGULATIONS ADOPTED UNDER SUBSECTION (E) OF THIS~~  
 24 ~~SECTION SHALL:~~

25                   ~~(1) INCLUDE STANDARDS FOR SERVICE TO A PRIORITIZED~~  
 26 ~~FACILITY RELATING TO:~~

27                   1. ~~SERVICE INTERRUPTION;~~

28                   2. ~~DOWNED WIRE RESPONSE;~~

29                   3. ~~CUSTOMER COMMUNICATIONS;~~

30                   4. ~~VEGETATION MANAGEMENT;~~

31                   5. ~~PERIODIC EQUIPMENT INSPECTIONS;~~



1                   ~~6. ANNUAL RELIABILITY REPORTING; AND~~  
 2                   ~~7. ANY OTHER STANDARDS ESTABLISHED BY THE~~  
 3 ~~COMMISSION;~~

4                   ~~(H) ACCOUNT FOR MAJOR OUTAGES CAUSED BY EVENTS~~  
 5 ~~OUTSIDE THE CONTROL OF AN ELECTRIC COMPANY; AND~~

6                   ~~(H) REQUIRE AN ELECTRIC COMPANY, WHENEVER THE~~  
 7 ~~ELECTRIC COMPANY FAILS TO MEET THE APPLICABLE SERVICE QUALITY AND~~  
 8 ~~RELIABILITY STANDARDS UNDER THIS SECTION, TO IMMEDIATELY EVALUATE~~  
 9 ~~WAYS TO MINIMIZE THE FREQUENCY AND DURATION OF FUTURE SERVICE~~  
 10 ~~DISRUPTIONS BY SIMPLIFYING THE DELIVERY OF SERVICE TO AFFECTED~~  
 11 ~~PRIORITIZED FACILITIES.~~

12                   ~~(2) THE REGULATIONS ADOPTED UNDER SUBSECTION (E) OF THIS~~  
 13 ~~SECTION MAY INCLUDE A SEPARATE RELIABILITY STANDARD FOR EACH~~  
 14 ~~ELECTRIC COMPANY IN ORDER TO ACCOUNT FOR SYSTEM RELIABILITY~~  
 15 ~~DIFFERENTIATING FACTORS, INCLUDING:~~

16                   ~~(I) SYSTEM DESIGN;~~

17                   ~~(II) EXISTING INFRASTRUCTURE;~~

18                   ~~(III) CUSTOMER DENSITY; AND~~

19                   ~~(IV) GEOGRAPHY.~~

20                   ~~(C)~~ (E) THIS SECTION DOES NOT PROHIBIT THE COMMISSION FROM  
 21 TAKING ~~CORRECTIVE ACTION~~ THE CORRECTIVE ACTION AUTHORIZED IN §  
 22 7-213(F)(2) OF THIS SUBTITLE AGAINST AN ELECTRIC COMPANY THAT FAILS TO  
 23 MEET ANY OR ALL OF THE APPLICABLE STANDARDS.

24                   SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 1,  
 25 2013, the Public Service Commission shall submit a report to the General Assembly, in  
 26 accordance with § 2-1246 of the State Government Article, on the findings and  
 27 recommendations of the workgroup the Commission ordered under Order No. 85385 in  
 28 Case No. 9298 to investigate ways to improve communications associated with special  
 29 medical needs customers. The charge of the workgroup shall be broadened to include:

30                   (1) recommendations on how to more effectively respond to electricity  
 31 outages that affect special medical needs facilities and individuals with special  
 32 medical needs;

1                   (2) recommendations on requiring annual performance reports under §  
2 7-213(g) of the Public Utilities Article to include data concerning specific service  
3 interruptions and actions to prevent future service interruptions related to special  
4 medical needs facilities;

5                   (3) recommendations on how the Department of Health and Mental  
6 Hygiene could address problems caused by outages at its regulated facilities that are  
7 not addressed through the use of backup generators; and

8                   (4) identification of other types of facilities, if any, that should be  
9 included as special medical needs facilities.

10               SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take  
11 effect July 1, 2013.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.