

HOUSE BILL 1159

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By: **Delegates Kramer, Arora, Barkley, Bobo, Carr, Dumais, Luedtke,
McDonough, Mizeur, Simmons, and Wood**

Introduced and read first time: February 8, 2013

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Electric Companies – Service Restoration – Prioritized Facilities**

3 FOR the purpose of altering a requirement that the Public Service Commission, on or
4 before a certain date, and each year thereafter, determine whether certain
5 electric companies have met certain service quality and reliability standards;
6 making stylistic changes; requiring the Secretary of Health and Mental Hygiene
7 to establish and distribute to an electric company a list of certain facilities by a
8 certain date; declaring the intent of the General Assembly; requiring an electric
9 company to post certain information on its Web site by a certain date; requiring
10 an electric company to submit a report containing certain information to the
11 Commission by a certain date; requiring the Commission to adopt regulations
12 relating to the quality and reliability of electrical service to certain facilities by
13 a certain date; requiring certain regulations to include certain service quality
14 and reliability standards, account for certain major outages, and require an
15 electric company to evaluate ways to simplify the delivery of service to certain
16 facilities if it fails to meet certain service quality and reliability standards;
17 authorizing the Commission to include in certain regulations a separate
18 reliability standard for each electric company; specifying that the adoption of
19 certain standards does not prohibit the Commission from taking corrective
20 action against an electric company under certain circumstances; defining a
21 certain term; and generally relating to the restoration of electrical service.

22 BY repealing and reenacting, without amendments,
23 Article – Public Utilities
24 Section 5–302
25 Annotated Code of Maryland
26 (2010 Replacement Volume and 2012 Supplement)

27 BY repealing and reenacting, with amendments,
28 Article – Public Utilities

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 7–213
2 Annotated Code of Maryland
3 (2010 Replacement Volume and 2012 Supplement)

4 BY adding to
5 Article – Public Utilities
6 Section 7–213.1
7 Annotated Code of Maryland
8 (2010 Replacement Volume and 2012 Supplement)

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

11 **Article – Public Utilities**

12 5–302.

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

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

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

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

21 (1) a common carrier; or

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

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

26 7–213.

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

28 (2) “System–average interruption duration index” or “SAIDI” means
29 the sum of the customer interruption hours divided by the total number of customers
30 served.

1 (3) “System–average interruption frequency index” or “SAIFI” means
2 the sum of the number of customer interruptions divided by the total number of
3 customers served.

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

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

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

14 (1) SAIFI;

15 (2) SAIDI; and

16 (3) any other performance measurement that the Commission
17 determines to be reasonable.

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

19 (i) include service quality and reliability standards, including
20 standards relating to:

21 1. service interruption;

22 2. downed wire response;

23 3. customer communications;

24 4. vegetation management;

25 5. periodic equipment inspections;

26 6. annual reliability reporting; and

27 7. any other standards established by the Commission;

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

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

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

8 (i) system design;

9 (ii) existing infrastructure;

10 (iii) customer density; and

11 (iv) geography.

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

14 (i) consider applicable standards of the Institute of Electrical
15 and Electronics Engineers;

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

18 (iii) with respect to standards relating to vegetation
19 management, consider:

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

22 2. customer acceptance of vegetation management
23 initiatives.

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

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

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

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

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

6 (2) The annual performance report shall include:

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

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

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

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

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

18 2. the number of outages by outage type;

19 3. the number of outages by outage cause;

20 4. the total number of customers that experienced an
21 outage;

22 5. the total customer minutes of outage time; and

23 6. to the extent practicable, a breakdown, by the number
24 of days each customer was without electric service, of the number of customers that
25 experienced an outage.

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

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

30 **7-213.1.**

1 **(A) IN THIS SECTION, “PRIORITIZED FACILITY” INCLUDES:**

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

4 **(2) A CONGREGATE HOUSING SERVICES PROGRAM UNDER TITLE**
5 **10, SUBTITLE 2 OF THE HUMAN SERVICES ARTICLE;**

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

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

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

12 **(6) ANY OTHER TYPE OF FACILITY THAT THE SECRETARY OF**
13 **HEALTH AND MENTAL HYGIENE DESIGNATES AS HOUSING VULNERABLE**
14 **RESIDENTS.**

15 **(B) THE PURPOSE OF THIS SECTION IS TO:**

16 **(1) FURTHER THE SERVICE QUALITY AND RELIABILITY GOALS**
17 **UNDER § 7-213 OF THIS SUBTITLE AS THEY RELATE TO A PRIORITIZED**
18 **FACILITY; AND**

19 **(2) ENCOURAGE THE SIMPLIFIED DELIVERY OF SERVICE TO A**
20 **PRIORITIZED FACILITY.**

21 **(C) ON OR BEFORE JANUARY 1 OF EACH YEAR, THE SECRETARY OF**
22 **HEALTH AND MENTAL HYGIENE SHALL ESTABLISH AND PROVIDE A LIST OF**
23 **PRIORITIZED FACILITIES TO EACH ELECTRIC COMPANY FOR ITS SERVICE**
24 **TERRITORY.**

25 **(D) ON OR BEFORE APRIL 1 OF EACH YEAR, AN ELECTRIC COMPANY**
26 **SHALL:**

27 **(1) POST ON THE ELECTRIC COMPANY’S WEB SITE THE NAME AND**
28 **ADDRESS OF EACH PRIORITIZED FACILITY THAT OPERATES IN ITS SERVICE**
29 **TERRITORY; AND**

1 **(2) SUBMIT TO THE COMMISSION AN ANNUAL PERFORMANCE**
2 **REPORT FOR EACH SERVICE INTERRUPTION TO A PRIORITIZED FACILITY IN THE**
3 **SERVICE TERRITORY OF THE ELECTRIC COMPANY THAT INCLUDES:**

4 **(I) THE DATE, DURATION, AND KNOWN CAUSE OF EACH**
5 **SERVICE INTERRUPTION DURING THE PRECEDING CALENDAR YEAR; AND**

6 **(II) THE ACTIONS TAKEN TO PREVENT FUTURE SERVICE**
7 **INTERRUPTIONS.**

8 **(E) ON OR BEFORE OCTOBER 1, 2013, THE COMMISSION SHALL ADOPT**
9 **REGULATIONS THAT IMPLEMENT SERVICE QUALITY AND RELIABILITY**
10 **STANDARDS RELATING TO THE DELIVERY OF ELECTRICITY TO A PRIORITIZED**
11 **FACILITY.**

12 **(F) (1) THE REGULATIONS ADOPTED UNDER SUBSECTION (E) OF THIS**
13 **SECTION SHALL:**

14 **(I) INCLUDE STANDARDS FOR SERVICE TO A PRIORITIZED**
15 **FACILITY RELATING TO:**

- 16 1. **SERVICE INTERRUPTION;**
- 17 2. **DOWNED WIRE RESPONSE;**
- 18 3. **CUSTOMER COMMUNICATIONS;**
- 19 4. **VEGETATION MANAGEMENT;**
- 20 5. **PERIODIC EQUIPMENT INSPECTIONS;**
- 21 6. **ANNUAL RELIABILITY REPORTING; AND**
- 22 7. **ANY OTHER STANDARDS ESTABLISHED BY THE**
23 **COMMISSION;**

24 **(II) ACCOUNT FOR MAJOR OUTAGES CAUSED BY EVENTS**
25 **OUTSIDE THE CONTROL OF AN ELECTRIC COMPANY; AND**

26 **(III) REQUIRE AN ELECTRIC COMPANY, WHENEVER THE**
27 **ELECTRIC COMPANY FAILS TO MEET THE APPLICABLE SERVICE QUALITY AND**
28 **RELIABILITY STANDARDS UNDER THIS SECTION, TO IMMEDIATELY EVALUATE**
29 **WAYS TO MINIMIZE THE FREQUENCY AND DURATION OF FUTURE SERVICE**

1 DISRUPTIONS BY SIMPLIFYING THE DELIVERY OF SERVICE TO AFFECTED
2 PRIORITIZED FACILITIES.

3 **(2) THE REGULATIONS ADOPTED UNDER SUBSECTION (E) OF THIS**
4 **SECTION MAY INCLUDE A SEPARATE RELIABILITY STANDARD FOR EACH**
5 **ELECTRIC COMPANY IN ORDER TO ACCOUNT FOR SYSTEM RELIABILITY**
6 **DIFFERENTIATING FACTORS, INCLUDING:**

7 **(I) SYSTEM DESIGN;**

8 **(II) EXISTING INFRASTRUCTURE;**

9 **(III) CUSTOMER DENSITY; AND**

10 **(IV) GEOGRAPHY.**

11 **(G) THIS SECTION DOES NOT PROHIBIT THE COMMISSION FROM**
12 **TAKING CORRECTIVE ACTION AGAINST AN ELECTRIC COMPANY THAT FAILS TO**
13 **MEET ANY OR ALL OF THE APPLICABLE STANDARDS.**

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 July 1, 2013.