

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE

Senate Bill 914
Finance

(Senator Hershey)

Electric Companies - Definition by Class

This bill alters the definition of “electric company” by specifying different classes for various sizes and ownership structures.

Fiscal Summary

State Effect: None. Altering the definition of “electric company” has no effect on State operations or finances.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The classes of electric company are:

- *Class A:* an investor-owned electric company that serves a population of 500,000 or more in its service territory;
- *Class B:* an investor-owned electric company that serves a population of less than 500,000 in its service territory;
- *Class C:* an electric cooperative (not including a small rural electric cooperative);
- *Class D:* a municipal electric utility; and
- *Class E:* a small rural electric cooperative.

Each class is included in the definition of “electric company.”

Current Law: “Electric company” means a person who physically transmits or distributes electricity in the State to a retail electric customer. It does not include (1) specified persons who supply electricity and electricity supply services solely to occupants of a building for use by the occupants; (2) any person who generates on-site generated electricity; or (3) a person who transmits or distributes electricity within a site owned by the person or the person’s affiliate that is incidental to a primarily landlord-tenant relationship.

“Municipal electric utility” means a municipal corporation, or a division of a municipal corporation, that is in the business of transmitting or distributing electricity for purposes other than end use by the municipal corporation. “Small rural electric cooperative” means an electric company that (1) serves only the consumers that exclusively own and control the company; (2) conducts its business on a not-for-profit basis; and (3) supplies electricity to less than 1,000 electric meters in the State.

Background: Maryland is geographically divided into 13 electric utility service territories. The 4 largest are investor-owned utilities, 4 are electric cooperatives (2 serve mainly rural areas of the State), and 5 are municipal electric utilities. Under the bill, based on existing customers, the utilities are classified as shown in **Exhibit 1**.

Exhibit 1
Utility Classification – The Bill

Class A	Baltimore Gas and Electric Company Potomac Electric Power Company
Class B	Delmarva Power and Light Potomac Edison
Class C	Southern Maryland Electric Cooperative Choptank Electric Cooperative
Class D	Berlin Municipal Electric Plant Easton Utilities Commission City of Hagerstown Light Department Thurmont Municipal Light Company Williamsport Municipal Electric Light System
Class E	A&N Electric Cooperative Somerset Rural Electric Cooperative

Source: Department of Legislative Services, Public Service Commission

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Public Service Commission, City of Takoma Park, Department of Legislative Services

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