

**Department of Legislative Services**  
Maryland General Assembly  
2016 Session

**FISCAL AND POLICY NOTE**  
**Third Reader**

Senate Bill 162  
Finance

(Senators Astle and Middleton)

Economic Matters

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**Gas Companies - Infrastructure Replacement Projects - Amendment to a Plan**

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This bill extends – from 120 days to 150 days – the deadline by which the Public Service Commission (PSC) must take final action to approve or deny an amendment to an approved gas infrastructure replacement plan.

The bill takes effect July 1, 2016.

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**Fiscal Summary**

**State Effect:** None. The bill allows PSC an extra 30 days to take final action to approve or deny an amendment to an approved gas infrastructure replacement plan.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law/Background:** Chapter 161 of 2013 authorized gas companies to file a plan with PSC requesting authorization to include a surcharge on customer bills for recovering certain costs of proposed infrastructure replacement projects. PSC must take final action to approve or deny a plan within 180 days after a gas company files a plan. If a gas company files an amendment to an approved plan, PSC must take action within 120 days to approve or deny the amendment.

The surcharge that may be imposed on each residential gas customer is limited to \$2 per month. The surcharge for a nonresidential customer must not be less than the fixed annual

surcharge applicable to a residential customer account but also must be capped. To create a surcharge cap for all customer classes, costs must be allocated to nonresidential and residential customers consistent with the proportions of total distribution revenues that those classes bear in accordance with the most recent base rate proceeding for the gas company.

All three of Maryland's major gas companies have filed with PSC and received approval for gas infrastructure replacement plans. The residential surcharge in 2016 for each company is shown in **Exhibit 1**.

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**Exhibit 1**  
**Monthly Residential Gas Infrastructure Replacement Surcharge**  
**(\$ in dollars)**  
**2016**

<u>Gas Company</u>	<u>Monthly Residential Surcharge</u>
Baltimore Gas and Electric Company	\$1.35
Columbia Gas	\$2.00
Washington Gas Light Company	\$1.22

Note: Washington Gas Light Company has a separate monthly surcharge for residential nonheating/noncooling customers, which is \$0.63 in 2016.

Source: Public Service Commission

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**Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 75 (Delegate Barkley) - Economic Matters.

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

**Fiscal Note History:** First Reader - January 15, 2016  
min/lgc

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