

Department of Legislative Services  
Maryland General Assembly  
2016 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 1355 (Delegate Glass, *et al.*)  
Economic Matters

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Gas and Electricity - Analog Meters - Purchase and Installation

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This bill requires the Public Service Commission (PSC) to authorize a customer of a gas company or an electric company to purchase an analog meter that meets all applicable specified safety and performance standards that PSC adopts or recognizes. A gas company or electric company must (1) install the meter at the customer's request or (2) allow a licensed plumber or electrician, as appropriate, of the customer's choice to install the meter. The analog meter may replace a different type of meter that a company provides to its customers. A company may not require a customer that installs an analog meter under the bill that complies with applicable safety and performance standards to install additional controls or perform or pay for additional tests. PSC must adopt regulations specifying standards for customer-owned gas, electric, and combined meters installed under the bill.

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Fiscal Summary

**State Effect:** PSC can adopt the required regulations with existing budgeted resources.

**Local Effect:** The bill does not materially affect local government finances or operations.

**Small Business Effect:** Minimal.

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Analysis

**Current Law:** In general, a person may not furnish or put in use for revenue billing purposes a gas or electric meter unless PSC has authorized the meter's use. By written request, a customer may compel PSC to inspect and test the customer's electric or gas meter. PSC regulations pertaining to the metering of electricity specify that all electricity sold by an electric company must be on the basis of meter measurement, except for

installations where the usage is constant and the consumption may be readily computed, or as otherwise provided for in its filed tariff rates.

A meter may not be installed if it is mechanically or electrically defective, has incorrect constants, or has not met testing requirements. Meters must be read approximately monthly unless otherwise authorized by PSC. The meter reading records used to prepare bills must show customer and meter identifying information, meter readings, the date of the meter reading, if the reading has been estimated, and any applicable multiplier or constant.

**Background:** The State has largely completed the process of transitioning to smart meters as the major electric companies have mostly replaced traditional analog meters with smart meters under plans authorized by PSC. PSC authorized Baltimore Gas and Electric Company (BGE) to deploy smart meters in August 2010, authorized Pepco in September 2010, and authorized Delmarva Power and Light (DPL) in May 2012. Recent data on the deployment of smart meters is shown in **Exhibit 1**.

Advanced metering infrastructure (AMI), which includes “smart meters” replacing traditional analog meters at customer residences, is seen as a key component for enabling smart grid technology. The deployment of AMI enables customers to see and respond to market-based pricing. Smart grid technology incorporating AMI can assist in increasing grid reliability, reducing blackout probabilities, and reducing forced outage rates, and can also help to restore power in shorter time periods.

However, there remains some concern about the widespread deployment of smart meters, particularly in relation to customer privacy and safety. Several bills have been introduced in recent years (all failed) to address some of these concerns through customer opt-outs and various studies. PSC also allowed customers to decline smart meter installations in May 2012, and subsequently reaffirmed that decision in February 2014.

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**Exhibit 1**  
**Smart Meter Deployment as of September 30, 2015**

	<u>% Deployed</u>	<u>Smart Meters Installed</u>	<u>% Opt-out</u>	<u>Opt-out Monthly Fee</u>
BGE	87%	1,184,211	4.15%	\$5.50
Pepco	100%	560,851	0.20%	\$14.00
DPL	100%	211,115	0.50%	\$17.00
SMECO	N/A	To begin early 2016	N/A	\$17.00

Note: In November 2015, PSC reduced the opt-out fee for BGE customers from \$11 to \$5.50 per month, effective with the January 2016 billing cycle.

BGE = Baltimore Gas and Electric Company  
DPL = Delmarva Power and Light Company  
SMECO = Southern Maryland Electric Cooperative

Source: Public Service Commission

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**Additional Information**

**Prior Introductions:** HB 508 of 2015 received an unfavorable report from the House Economic Matters Committee.

**Cross File:** None.

**Information Source(s):** Public Service Commission, Office of People's Counsel, Department of Legislative Services

**Fiscal Note History:** First Reader - March 9, 2016  
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