HB 1568

Department of Legislative Services

Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1568 (Delegate Hill, *et al.*)
Economic Matters

Public Service Companies – Facility Equipment – Removal

This bill requires a public service company to remove specified facility equipment within 60 days after the equipment has been replaced or its use has been permanently discontinued. The bill applies to pad-mounted transformers, free-standing or pad-mounted junction boxes, and their ancillary equipment. After consideration of any impediments to compliance with these requirements, the Public Service Commission (PSC) must take appropriate action against a public service company that fails to comply, including the imposition of appropriate civil penalties, subject to specified conditions.

Fiscal Summary

State Effect: PSC can likely handle the bill's requirements with existing budgeted resources. The bill's penalty provisions are not anticipated to materially affect general fund revenues.

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

Small Business Effect: None.

Analysis

Bill Summary: In addition to existing penalties, PSC may impose a civil penalty of up to $250 for each violation of the bill. Each day or part of a day that the violation continues is a separate offense. PSC must determine the amount of the civil penalty after considering specified information, such as the good faith efforts of the public service company in attempting to achieve compliance after notification of the violation. Revenues from any civil penalties assessed accrue to the general fund, and a public service company cannot recover the cost of the penalty from ratepayers.

Current Law: A public service company must furnish equipment, services, and facilities that are safe, adequate, just, reasonable, economical, and efficient, considering the conservation of natural resources and the quality of the environment.

PSC regulations require gas, electric, and water companies to determine the necessity for replacement and repair of facility equipment. In planning telephone service, it is the responsibility of each telephone company to provide the type and quantities of facilities that will meet the expected communications service demands of the public in the most economical manner possible that is consistent with current and long range service standards and modernization objectives. In planning the facility equipment modernizations, the objective is to systematically replace and augment older facility equipment as rapidly as practical, consistent with sound management judgment in meeting current customer service requirements and objectives.

Background: The bill applies to all public service companies: gas, electric, water, sewer, telephone, telegraph, common carrier, or a combination thereof. One recent issue to which the bill may apply is Verizon's ongoing transition from copper wire to fiber optic cable. In the public notices sent out about the transition, Verizon has stated that, after the retirement of its copper facilities, the company will (1) no longer offer services over copper facilities and (2) cease maintaining the copper facilities.

Customer complaints to PSC generally require that the customer first attempt to resolve the complaint directly with the public service company before filing a complaint with PSC's Office of External Relations. If the dispute is not resolved, PSC investigates to determine whether further action is appropriate.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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mm/lgc

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