

House Environment Matters Committee
3-12-2020, 1PM

Hon. Delegate Dereck E. Davis, Chair
Hon. Delegate Kathleen M. Dumais, Vice Chair
Economic Matters Committee
House Office Building Room 231
6 Bladen Street
Annapolis, Maryland 21401

Re: HB 1207 Electric Companies – Conduit Installation – Single Family Detached Developments

My name is Guy Curley, I was President of the Maryland Building Industry Association in 2010, I have built over 2500 entry level and move up homes in Southern Maryland, mainly St. Mary's County. I have always been concerned with affordable housing.

I would like to go over several key points with SMECO's new Conduit policy:

1. The policy went into effect July 30, 2018. There is no grandfathering for projects that had received preliminary plan approval for their projects prior to that date. SMECO claims we received notice this policy was coming and we were placed on notice since 2016. There was a guidance memo sent to us in October of 2016, but it did not give the detail needed nor did it state when this new idea would start. In fact, the 2016 memo outlines requirements that are significantly different than the Total Conduit Environment Policy implemented in 2018. This guidance memo in no way could be construed as notice to the entire industry. That should have been done by other means as there are many companies and individual land-owners that our not MBIA members and still today have no idea the Total Conduit Environment Policy went into effect.
2. If we had received proper notice, there would have been no need for a meeting at SMECO which took place on August 21, 2018 with MBIA members. On September 26, 2018, we sent a multi-page response as follow-up to our August 21, 2018 meeting with SMECO because we still had so many questions after our face to face meeting. As a matter of fact we did not know the Total Conduit policy had gone into effect until they answered our written questions.

One of the questions we asked SMECO on August 21, 2018 was:

- What is the appeal process? SMECO's answer is in Blue.
Appeals to this process would be through the Public Service Commission. As a final note, recently while the Cooperative staff was discussing line extension policies with the staff

of the Maryland Public Service Commission they suggested the Cooperative adopt this Total Conduit Environment policy and integrate it into the tariff provisions to control or reduce line extension costs.

To date, I do not believe the Total Conduit Policy has been integrated into the Tariff provisions as the Maryland Public Service Commission would have had a public hearing on it to change SMECO's Tariff and we would have had a chance to respond accordingly.

3. Each year SMECO publishes its [Customer Rights and Responsibilities](#) PDF booklet, in compliance with Maryland Public Service Commission Regulation COMAR 20.30.04.03. The Cooperative distributes a copy to each customer once each year. (copy attached)

If you would like a copy, you can [download](#) it as a PDF document. If you want a copy mailed to you, call [1-888-440-3311](tel:1-888-440-3311) or contact us by [e-mail](#).

Page 7 of the SMECO 2020 Customer Rights and Responsibilities booklet states:

“Line Extension Charges for New Service Installations Single-family home line extensions 220 feet and less will be charged \$1,342. An additional \$11.49 per foot is charged for additional footage beyond 220 feet. “

SMECO is charging the same \$1342 for New Service Installations even though we are now trenching and installing the conduit. SMECO is running the new power line thru the conduit and trench which the developer installed but is not receiving a credit off of the \$1342. If SMECO wanted to raise the Line Extension Charge of \$1342 they would have a hearing with the Maryland Public Service Commission to do so. The house connection conduit alone increases the cost of homes up to \$800 per house connection and you still have to pay the \$1342 for new service of single family homes. By allowing SMECO to proceed with the Total Conduit Environment Policy you are allowing them to bypass the PSC and raise the cost of each New Service by the conduit cost.

4. Finally, SMECO operates its electric business by way of its Tariff. That's the overall operations manual for SMECO. SMECO's Tariff dated February 13, 2007 states:

“Subdivision Developers and Builders shall be responsible for the installation of ALL conduit that may be required for SMECO's proposed underground electrical system anywhere within the subdivision. This conduit shall be supplied by the Developer/Builder and shall be installed per SMECO's specifications and requirements.”

This is the magic paragraph within SMECO's Tariff that they believe gives them the right to change a long standing policy of only requiring road crossing conduits

and now enforce the Total Conduit Policy. The conduit cost increased by over 800% to 3000% for projects not grandfathered.

5. SMECO has over 38 pages of items they need permission to raise or lower the costs to their rate payers. By implementing the Total Conduit Environment policy, SMECO has effectively by passed the Public Service Commission and raised the price of single family homes in their service area by \$3000-5000. (see attached SMECO Retail Electric Service Tariff, P.S.C Md. No 3, Sheets 61-99).

Why would the PSC regulate how much they charge for electric, taxes, types of electric service, 8 different types of Overhead street lights, multiple light bulb choices and multiple poles the lamps sit on and not regulate conduit that raises the price of homes \$3000-5000?

Thank you for your consideration on this very important legislation.

Sincerely,

Ed Curley III, President
Raleigh Apt. Management Inc
22501 Iverson Drive
Great Mills, Maryland 20634
3018625246x104