



An Exelon Company

Position Statement

Oppose
Economic Matters Committee
03/12/2020

HB 1207 Electric Companies – Conduit Installation – Single-Family Detached Developments

Baltimore Gas and Electric Company (BGE) opposes *House Bill 1207 Electric Companies – Conduit Installation – Single-Family Detached Developments*, which would prohibit an electric company from requiring a builder or developer of a single-family detached development, as defined, to pay for and install conduit that may be required for the electric company's proposed underground electric system anywhere within the development.

The circumstances under which BGE would require a developer or builder to pay for and install conduit in a single-family detached development are limited. When conduit is necessary, for reliability or due to obstructions or restricted space, the developer or builder is best able to install the conduit during the early stages of construction – along with other on-site requirements that must be met before utilities are installed.

This bill proposes to circumvent accepted utility ratemaking where those who cause costs to be incurred should be who pays for those costs. To be clear, requiring the utility to pay for conduit construction rather than the developer actually results in all customers subsidizing the development construction costs. While the fiscal note for HB 1207 states that the bill potentially allocates conduit installation costs for particular developments across all electric company customers, rather than specific builders and developers, in reality if passed, this bill would result in all customers paying for these costs.

While BGE understands that the objective of this legislation is to address a dispute in one particular service territory, its impact would be statewide and thus result in increased costs to all customers that are avoidable under the current process. Additionally, the Public Service Commission has awareness and oversight of the current process as the specifics of cost allocation for conduit installations are generally addressed in electric company tariffs, which are subject to approval by the Commission.

BGE believes that HB 1207 is unnecessary and unwarranted. For these reasons, BGE respectfully request that the Committee vote unfavorable on this legislation.