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People. Power. Progress.

March 3, 2020

Delegate Matt Morgan
310 House Office Building
Annapolis, MD 21401

Dear Delegate Morgan:

Following the introduction of HB 1207 Electric Companies – Conduit Installation – Single-Family Detached Developments on Feb. 7, 2020, you and other members of the Southern Maryland Delegation asked us to meet with local builders and other members of the Maryland Building Industry Association (MBIA) to discuss SMECO’s conduit requirements for specific new housing developments in the hopes of finding some common ground.

This SMECO requirement for conduit is supported by COMAR 20.85.03.03 B., where it states “Rights-of-way and easements shall be cleared of trees, tree stumps, and other obstructions at no charge to the utility.” And further in SMECO Tariff Part V E. 1. “Subdivision Developers and Builders shall be responsible for the installation of ALL conduit that may be required.” This requirement was also upheld when the Maryland Public Service Commission on July 17, 2019, dismissed the MBIA’s petition requesting a stay in the policy.

SMECO has and continues to work with our local developers to implement this policy. It is in that spirit that SMECO’s executive team met with you and local builders on February 21, 2020, following a briefing to the Southern Maryland Delegation. Our meeting was constructive and resulted in several commitments from SMECO that are outlined below:

- SMECO is committed to hiring and or assigning existing engineering contractors to assist in the design, review and implementation of conduit requirements for the distribution system in proposed housing developments.
- SMECO is committed to releasing a draft of distribution system designs earlier in the process (+/- 50 percent) so that developers have an opportunity to review their plans to redesign the area of the PUE to relieve congestion and mitigate conduit requirements.
- SMECO is committed to working with developers to review design details for opportunities to reduce total conduit requirements.
- SMECO is committed to conducting a cost of service study that will take a more granular approach to the line extension charges by line extension type and condition. One such condition in particular will be the provision of conduit for the line extension by the developer versus a direct buried installation.

This conduit policy is consistent with SMECO’s steadfast commitment to ensuring reliability and maintaining the integrity of our infrastructure. SMECO has and will continue to adapt to the changing development practices in Southern Maryland. We are also mindful of our stewardship of the cooperative and properly allocating costs to continue to provide reliable service to all of our members.

As discussed when the bill was introduced, we this letter ameliorates your concerns and HB 1207 can be withdrawn.

If you have any questions, my direct dial is 301-274-4318 or you can reach me by email at Sonja.cox@smeco.coop

Sincerely,

Sonja M. Cox
President and CEO, SMECO

cc:

Joe Slater
Ken Capps
Keith Ulrich
Mark MacDougall
Tom Dennison