

Timothy R. Troxell, CEcD  
Advisor, Government Affairs  
301-830-0121  
ttroxell@firstenergycorp.com

10802 Bower Avenue  
Williamsport, MD 21795

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**OPPOSE – House Bill 0781**

**HB0781 – Gas and Electric Companies - Deposit Charges and Termination of Service**

**Economic Matters Committee**

**Thursday, March 3, 2022**

Potomac Edison, a subsidiary of FirstEnergy Corp., serves approximately 275,000 customers in all or parts of seven Maryland counties (Allegany, Carroll, Frederick, Garrett, Howard, Montgomery, and Washington Counties). FirstEnergy is dedicated to safety, reliability, and operational excellence. Its ten electric distribution companies form one of the nation's largest investor-owned electric systems, serving customers in Ohio, Pennsylvania, New Jersey, West Virginia, and Maryland.

**Unfavorable**

Potomac Edison **opposes House Bill 781 – Gas and Electric Companies - Deposit Charges and Termination of Service**. HB 781 prohibits electric and gas companies from imposing a deposit requirement and terminating service for failure to pay all or part of a deposit on a customer who is at least 65 years old and has an annual income at or below 300% of the federal poverty level.

**FirstEnergy requests an Unfavorable report on HB 781 for the following reasons.**

The Public Service Commission already has detailed regulations which exempt customers who are at least 60 years old from having to pay a security deposit, unless they have an unpaid utility bill. Furthermore, security deposits currently held by Potomac Edison are returned to our existing customers once they turn 60 years old, unless they have an unpaid electric bill. This bill is unnecessary, as it appears only to complicate the administration of a long-standing program that works just fine by adding a second layer of rules, at age 65, on top.

As part of HB 781, Potomac Edison would also be required to conduct an “income test” on customers. We currently do not know the incomes of our customers, and we do not want to get into the business of collecting such personal and confidential information about them. Most customers would not want to provide that information to their electric company.

House Bill 781 is potentially harmful to our other Maryland customers. The Public Service Commission’s existing regulations allow Potomac Edison to collect, and keep, a security deposit when a customer has not paid their bill. This regulation protects all other customers from having to cover the uncollected arrears from customers who don’t pay their electric bills. This bill would eliminate this protection and likely result in higher costs for all other electric customers in Maryland.

For the above reasons, Potomac Edison respectfully request an **Unfavorable** vote on House Bill 781.