



**Testimony of the Rockville Mayor and Council
SB 376 – County and Municipal Street Lighting Investment Act
Support**

The Rockville Mayor and Council are thankful to Chair Kelley and members of the Senate Finance Committee for the opportunity to share the City’s comments regarding SB 376 – County and Municipal Street Lighting Investment Act. We thank Senator Lee for her leadership.

The City supports SB 376 and its goals to streamline the process for local governments acquiring utility-owned overhead streetlights and assuming ownership and maintenance. As you consider the merits of this legislation, we urge the committee to provide the bill with a favorable report and forward it to the full Senate for a vote.

This enabling legislation would provide municipalities and counties interested in purchasing existing streetlights with a fair acquisition process and would enable them to assume the responsibility for owning and maintaining the equipment. At present, municipalities and counties do not have control over the maintenance and operations of utility owned streetlights. As a result, there is interest among some local jurisdictions in purchasing these streetlights and assuming this responsibility.

Streetlighting services provided by Rockville and other jurisdictions enhance public safety in residential and commercial areas and enable the secure and efficient operation of local transportation networks. Current law lacks a defined formula for the purchase of utility owned streetlights, which makes it difficult for local governments and utilities to agree on a fair purchase price. SB 376 creates a “fair market value” calculated by the original cost of the streetlight, minus depreciation and amortization.

Currently, there is no incentive for Pepco and other utility providers to use energy efficient street lighting such as LED fixtures and bulbs. Furthermore, existing tariffs are not structured for government owned streetlights and lack rates for LED and other energy efficient technologies. With approval from the Public Works Commission, SB 376 would authorize local governments to convert street lighting service to an alternate tariff that would support improved services and lower costs.

Although the current environment is not economically favorable for Rockville to purchase Pepco-owned streetlights in the City, we believe if SB 376 were enacted, it would lay a solid foundation in support of such an effort. Rockville supports the defined purchase price and authority for alternative tariffs included in SB 376. Should the economics change in the future and the City be in a position to purchase Pepco owned streetlights, this legislation would make it more favorable to do so.

SB 376 provides enabling authority and would simplify the process for local governments who wish to acquire utility-owned overhead streetlights and maintain them. We ask for your support for this legislation.