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HB 101: State Highway Projects - Removal, Relocation, and Adjustment of Utility Facilities - Notification, Work Plans, and Compliance

Committee: House Economic Matters and Environment and Transportation

Position: Opposed

Southern Maryland Electric Cooperative (SMECO), a member-owned electric cooperative based in Hughesville that provides electricity to more than 173,000 member accounts in Charles, St. Mary's, Calvert and southern Prince George's County, opposes House Bill 101 which would impose unreasonable and costly requirements on utilities when the State Highway Administration (SHA) determines that it is necessary to remove, relocate, or adjust a utility facility for a State highway project.

SMECO recognizes the importance of coordinating with SHA to ensure the timely and efficient completion of State highway projects. However, we believe that the existing process, which is governed by the Public Service Commission (PSC) regulations and the Utility Relocation Manual, is working well and does not need to be replaced by new statutes that would create more problems than it would solve.

House Bill 101 would create several burdens and risks for utilities, such as:

- Requiring utilities to submit work plans within 120 days of receiving a letter from SHA, regardless of the complexity or scope of the project, or face the responsibility for the cost of removing, relocating, or adjusting the utility facility.
- Requiring utilities to begin work within 60 days of receiving approval from SHA, or face the possibility of injunctive relief, regardless of the availability of resources, materials, permits, or easements.
- Making utilities liable for the costs incurred by the contractor and the damages to SHA due to the utility's failure to provide a work plan or complete the work in accordance with the work plan, regardless of the cause or extent of the delay or the utility's good faith efforts to comply.
- Prohibiting rate-regulated utilities from recovering through rates any costs or damages incurred under the bill, regardless of the prudence or necessity of such costs or damages.

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- Authorizing SHA to adopt regulations to implement the bill, without specifying any criteria or standards for such regulations, or providing any opportunity for input or review by the utilities or the PSC.

These provisions would create an unfair and unbalanced process that would favor SHA over the utilities, and would undermine the role and authority of the PSC, which is the appropriate regulatory body to oversee utility matters. The bill would also increase the costs and risks for utilities, which would ultimately be borne by ratepayers.

For these reasons, SMECO respectfully requests an unfavorable report on House Bill 101.