

# SENATE BILL 681

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By: **Senators Washington, Benson, and Kelley**

Introduced and read first time: February 3, 2020

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Electricity Suppliers and Gas Suppliers – Consumer Protections**

3 FOR the purpose of authorizing the Office of People’s Counsel to investigate and request  
4 certain documents from an electricity supplier or a gas supplier under certain  
5 circumstances; requiring the Office of People’s Counsel to have a reasonable basis  
6 before initiating a certain investigation; requiring an electricity supplier or a gas  
7 supplier to provide certain written responses and documents to the Office of People’s  
8 Counsel under certain circumstances; prohibiting an electricity supplier or a gas  
9 supplier from switching a customer’s rate for electricity or gas supply from a fixed  
10 rate to a variable rate without the customer’s written consent; limiting the amount  
11 of a certain early termination or cancellation fee of a retail electricity or gas supply  
12 contract; requiring certain electricity bills to include certain information; requiring  
13 the Public Service Commission to adopt regulations to require gas suppliers to  
14 include certain information in certain gas bills; requiring the Commission to order  
15 an electricity supplier or a gas supplier to cease and desist certain actions and to  
16 take certain affirmative actions, including certain monetary restitution to certain  
17 customers under certain circumstances; requiring the Commission to make certain  
18 determinations under certain circumstances; and generally relating to consumer  
19 protections for customers of electricity suppliers and gas suppliers.

20 BY repealing and reenacting, with amendments,  
21 Article – Public Utilities  
22 Section 2–204, 7–507(f) and (k), 7–603, and 7–604  
23 Annotated Code of Maryland  
24 (2010 Replacement Volume and 2019 Supplement)

25 BY adding to  
26 Article – Public Utilities  
27 Section 7–311  
28 Annotated Code of Maryland  
29 (2010 Replacement Volume and 2019 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
2 That the Laws of Maryland read as follows:

3 **Article – Public Utilities**

4 2–204.

5 (a) (1) The Office of People’s Counsel shall evaluate each matter pending  
6 before the Commission to determine if the interests of residential and noncommercial users  
7 are affected.

8 (2) If the Office of People’s Counsel considers the interest of residential and  
9 noncommercial users to be affected, the Office of People’s Counsel shall appear before the  
10 Commission and courts on behalf of residential and noncommercial users in each matter or  
11 proceeding over which the Commission has original jurisdiction, including a proceeding on  
12 the rates, service, or practices of a public service company or on a violation of this division.

13 (3) As the Office of People’s Counsel considers necessary, the Office of  
14 People’s Counsel shall conduct investigations and request the Commission to initiate  
15 proceedings to protect the interests of residential and noncommercial users.

16 (4) (I) IF THE OFFICE OF PEOPLE’S COUNSEL DETERMINES THAT  
17 IT IS NECESSARY TO PROTECT THE INTERESTS OF RESIDENTIAL ELECTRIC AND GAS  
18 CUSTOMERS, THE OFFICE OF PEOPLE’S COUNSEL MAY INVESTIGATE AND REQUEST  
19 DOCUMENTS AND INFORMATION FROM ELECTRICITY SUPPLIERS AND GAS  
20 SUPPLIERS.

21 (II) THE OFFICE OF PEOPLE’S COUNSEL MUST HAVE A  
22 REASONABLE BASIS TO INITIATE AN INVESTIGATION UNDER THIS PARAGRAPH,  
23 INCLUDING:

24 1. THE RECEIPT OF CUSTOMER COMPLAINTS MADE TO  
25 THE OFFICE OF PEOPLE’S COUNSEL, THE COMMISSION, OR THE OFFICE OF THE  
26 ATTORNEY GENERAL; AND

27 2. A REVIEW OF ELECTRICITY SUPPLIER OR GAS  
28 SUPPLIER DOCUMENTS OR OTHER INFORMATION PROVIDED TO THE OFFICE OF  
29 PEOPLE’S COUNSEL.

30 (III) UNLESS THE COMMISSION DETERMINES THAT AN  
31 ELECTRICITY SUPPLIER OR A GAS SUPPLIER IS NOT REQUIRED TO RESPOND, AN  
32 ELECTRICITY SUPPLIER OR A GAS SUPPLIER SHALL PROVIDE WRITTEN RESPONSES  
33 AND DOCUMENTS TO THE OFFICE OF PEOPLE’S COUNSEL RELATED TO AN  
34 INVESTIGATION UNDER THIS PARAGRAPH WITHIN A REASONABLE TIME FOLLOWING

1 **THE REQUEST.**

2 (b) The People's Counsel shall administer and operate the Office of People's  
3 Counsel.

4 **7-311.**

5 (A) AN ELECTRICITY SUPPLIER OR A GAS SUPPLIER MAY NOT SWITCH A  
6 CUSTOMER'S RATE FOR ELECTRICITY OR GAS SUPPLY FROM A FIXED RATE TO A  
7 VARIABLE RATE WITHOUT FIRST OBTAINING THE CUSTOMER'S WRITTEN CONSENT.

8 (B) NOTWITHSTANDING ANY OTHER LAW, AN ELECTRICITY SUPPLIER OR A  
9 GAS SUPPLIER MAY NOT IMPOSE A FEE THAT EXCEEDS \$50 FOR THE EARLY  
10 TERMINATION OR CANCELLATION OF A RETAIL ELECTRICITY OR GAS SUPPLY  
11 CONTRACT.

12 **7-507.**

13 (f) In accordance with regulations or orders of the Commission, electricity bills,  
14 for competitive and regulated electric services, provided to consumers [may] SHALL  
15 provide, in addition to the requirements of § 7-505(b)(5) of this subtitle and subsection  
16 (e)(2) of this section, the following information:

17 (1) the identity and phone number of the electricity supplier of the service;

18 (2) sufficient information to evaluate prices and services; [and]

19 (3) information identifying whether the price is regulated or competitive;

20 **AND**

21 (4) **INFORMATION SET FORTH IN A TABLE OR CHART THAT:**

22 (I) **COMPARES THE ELECTRICITY SUPPLIER'S RATE TO THE**  
23 **APPLICABLE ELECTRIC COMPANY'S STANDARD OFFER SERVICE RATE;**

24 (II) **CALCULATES A COMPARISON OF THE COST OF ELECTRICITY**  
25 **SUPPLY BASED ON THE CUSTOMER'S MONTHLY ELECTRICITY USAGE WITH**  
26 **STANDARD OFFER SERVICE; AND**

27 (III) **LISTS THE ACTUAL PRICE DIFFERENCES BETWEEN THE**  
28 **RATES.**

29 (k) (1) The Commission may revoke or suspend the license of an electricity  
30 supplier, impose a civil penalty or other remedy, order a refund or credit to a customer, or  
31 impose a moratorium on adding or soliciting additional customers by the electricity

1 supplier, for just cause on the Commission's own investigation or on complaint of the Office  
2 of People's Counsel, the Attorney General, or an affected party.

3 (2) A civil penalty may be imposed in addition to the Commission's decision  
4 to revoke, suspend, or impose a moratorium.

5 (3) (I) IF, AFTER NOTICE AND A HEARING, THE COMMISSION  
6 DETERMINES THAT AN ELECTRICITY SUPPLIER'S ACTIONS MEET ONE OR MORE OF  
7 THE JUST CAUSE STANDARDS SET FORTH IN PARAGRAPH (4) OF THIS SUBSECTION  
8 AND HAVE RESULTED IN FINANCIAL HARM TO ONE OR MORE CUSTOMERS, THE  
9 COMMISSION SHALL ISSUE AN ORDER REQUIRING THE ELECTRICITY SUPPLIER TO:

10 1. CEASE AND DESIST FROM THE ACTIONS THAT MET  
11 ONE OR MORE OF THE JUST CAUSE STANDARDS; AND

12 2. TAKE AFFIRMATIVE ACTIONS, INCLUDING MONETARY  
13 RESTITUTION TO ALL CUSTOMERS HARMED BY THE ELECTRICITY SUPPLIER'S  
14 ACTIONS.

15 (II) RESTITUTION UNDER THIS PARAGRAPH SHALL BE EQUAL  
16 TO THE DIFFERENCE BETWEEN THE RATE CHARGED BY THE ELECTRICITY SUPPLIER  
17 AND THE APPLICABLE ELECTRIC COMPANY'S STANDARD OFFER SERVICE RATE FOR  
18 EACH MONTH THAT EACH AFFECTED CUSTOMER WAS ENROLLED.

19 (III) THE COMMISSION SHALL DETERMINE HOW THE  
20 ELECTRICITY SUPPLIER SHALL PROVIDE RESTITUTION TO EACH AFFECTED  
21 CUSTOMER.

22 (4) Just cause includes:

23 (i) intentionally providing false information to the Commission;

24 (ii) switching, or causing to be switched, the electricity supply for a  
25 customer without first obtaining the customer's permission;

26 (iii) failing to provide electricity for its customers;

27 (iv) committing fraud or engaging in deceptive practices;

28 (v) failing to maintain financial integrity;

29 (vi) violating a Commission regulation or order;

30 (vii) failing to pay, collect, remit, or calculate accurately applicable  
31 State or local taxes;

1 (viii) violating a provision of this article or any other applicable  
2 consumer protection law of the State;

3 (ix) conviction of a felony by the licensee or principal of the licensee  
4 or any crime involving fraud, theft, or deceit; and

5 (x) suspension or revocation of a license by any State or federal  
6 authority.

7 7-603.

8 (a) The Commission shall license gas suppliers and shall have the same authority  
9 as the Commission has under § 7-507 of this title for electricity suppliers, including the  
10 authority to:

11 (1) revoke or suspend a license;

12 (2) impose a moratorium, civil penalty, or other remedy; or

13 (3) order a refund for or credit to a customer.

14 (b) The Commission shall adopt licensing requirements and procedures for gas  
15 suppliers that protect consumers, the public interest, and the collection of all State and  
16 local taxes.

17 **(C) (1) IF, AFTER NOTICE AND A HEARING, THE COMMISSION**  
18 **DETERMINES THAT A GAS SUPPLIER'S ACTIONS MEET ONE OR MORE OF THE JUST**  
19 **CAUSE STANDARDS SET FORTH IN § 7-507(K)(4) OF THIS TITLE AND HAVE RESULTED**  
20 **IN FINANCIAL HARM TO ONE OR MORE CUSTOMERS, THE COMMISSION SHALL ISSUE**  
21 **AN ORDER REQUIRING THE GAS SUPPLIER TO:**

22 **(I) CEASE AND DESIST FROM THE ACTIONS THAT MET ONE OR**  
23 **MORE OF THE JUST CAUSE STANDARDS; AND**

24 **(II) TAKE AFFIRMATIVE ACTIONS, INCLUDING MONETARY**  
25 **RESTITUTION TO ALL CUSTOMERS HARMED BY THE GAS SUPPLIER'S ACTIONS.**

26 **(2) RESTITUTION UNDER THIS SUBSECTION SHALL BE EQUAL TO THE**  
27 **DIFFERENCE BETWEEN THE RATE CHARGED BY THE GAS SUPPLIER AND THE**  
28 **APPLICABLE GAS COMPANY'S GAS COMMODITY RATE FOR EACH MONTH THAT EACH**  
29 **AFFECTED CUSTOMER WAS ENROLLED.**

30 **(3) THE COMMISSION SHALL DETERMINE HOW THE GAS SUPPLIER**  
31 **SHALL PROVIDE RESTITUTION TO EACH AFFECTED CUSTOMER.**

1 7-604.

2 (a) On or before July 1, 2001, the Commission shall adopt consumer protection  
3 orders or regulations for gas suppliers that:

4 (1) protect consumers from discriminatory, unfair, deceptive, and  
5 anticompetitive acts and practices in the marketing, selling, or distributing of natural gas;

6 (2) provide for contracting, enrollment, and billing practices and  
7 procedures; [and]

8 (3) **REQUIRES BILLS FOR GAS SUPPLY TO CONTAIN INFORMATION SET**  
9 **FORTH IN A TABLE OR CHART THAT:**

10 (I) **COMPARES THE GAS SUPPLIER'S RATE TO THE APPLICABLE**  
11 **GAS COMPANY'S GAS COMMODITY RATE;**

12 (II) **CALCULATES A COMPARISON OF THE COST OF GAS SUPPLY**  
13 **BASED ON THE CUSTOMER'S MONTHLY USAGE WITH THE COMMODITY RATE; AND**

14 (III) **LISTS THE ACTUAL PRICE DIFFERENCES BETWEEN THE**  
15 **RATES; AND**

16 (4) the Commission considers necessary to protect the consumer.

17 (b) In adopting orders and regulations under this section, unless the Commission  
18 determines that the circumstances do not require consistency, the Commission shall:

19 (1) provide customers with protections consistent with applicable  
20 protections provided to retail electric customers; and

21 (2) impose appropriate requirements on gas suppliers that are consistent  
22 with applicable requirements imposed on electricity suppliers.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
24 October 1, 2020.