

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1065

(Delegate Charkoudian, *et al.*)

Economic Matters

Public Service Companies and Contractors - Customer Protection - Personal
Information

This bill generally prohibits a public service company and its contractors from sharing, disclosing, or otherwise making accessible a customer's personal information to a third party; they are likewise prohibited from selling a customer's personal information. Each public service company and contractor must use reasonable security procedures and practices to protect a customer's personal information and must restrict the collection of personal information to the least amount necessary for the provision of services and effective operation and administration. A Social Security number may not be required for service, but may be allowed as a valid form of identification. The bill does not prohibit the use of a customer's service usage in the aggregate for analysis, reporting, and program management, if all other personal information is not used. The Public Service Commission (PSC) must adopt regulations to implement the bill.

Fiscal Summary

State Effect: PSC can adopt the required regulations with existing budgeted resources. State finances and operations are not otherwise affected.

Local Effect: Municipal utilities are subject to the same requirements as other public service companies under the bill. The effect on a particular local government's finances and operations depends on the existing practices and capabilities of municipal utilities, but the overall effect is likely modest.

Small Business Effect: Meaningful.

Analysis

Bill Summary: Personal information may be disclosed if required by federal or State law, required by a criminal warrant, or on written request from the customer explicitly stating the purpose and scope of the disclosure.

Based on existing definitions, the bill applies to common carrier (transportation) companies, electric companies, gas companies, for-profit sewage disposal and water companies, telegraph and telephone companies, any combination thereof, and their contractors.

Current Law/Background: There are no explicit general prohibitions against the actions in the bill in the Public Utilities Article or PSC regulations; however, PSC regulations as they relate to retail electricity and gas supply (1) require a supplier to notify a potential customer of its intention to request customer information (during the pre-enrollment process) from a utility and obtain the customer's consent for release of the information and (2) prohibit a supplier from disclosing a customer's billing, payment, and credit information without the customer's consent, except for the sole purpose of billing, bill collection, and credit reporting.

Various PSC orders, such as those related to advanced metering infrastructure, have addressed customer information disclosure and data privacy concerns. For example, Baltimore Gas and Electric Company's resultant privacy policy can be found [here](#).

Maryland Personal Information Protection Act

Under the Maryland Personal Information Protection Act, to protect personal information from unauthorized access, use, modification, or disclosure, a business that owns or licenses personal information of a Maryland resident must implement and maintain reasonable and appropriate security procedures and practices. A business that uses a nonaffiliated third party as a service provider and discloses personal information about a Maryland resident under a written contract with the third party must require, by contract, that the third party implement and maintain reasonable security procedures and practices that are (1) appropriate to the nature of the disclosed information and (2) reasonably designed to help protect the information from unauthorized access, use, modification, disclosure, or destruction.

Small Business Effect: Small businesses that contract with public service companies must comply with the bill's requirements related to data collection, sales, and protection. Depending on the existing practices and capabilities of a particular small business, the effect may be meaningful. In addition, PSC advises that the bill creates a significant barrier to companies that seek to provide energy usage insights, load management, or other energy

services outside of the context of a retail supply contract, a new industry made possible through technology and Maryland's deployment of advanced metering infrastructure.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Public Service Commission; Office of People's Counsel;
Department of Legislative Services

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mr/lgc

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