

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 556

(Delegate D.E. Davis)

Economic Matters

Finance

Public Service Commission - Virtual Public Hearings

This emergency bill authorizes the Public Service Commission (PSC) to hold virtual public hearings on applications for utility rate increases and certificates of public convenience and necessity (CPCN). For rate increase hearings, appropriate notice must be provided so that persons in the affected service area may participate. For CPCN hearings, PSC must prominently provide the virtual hearing information on its website and provide a comparable opportunity for public comment and participation. Other requirements related to the application processes are unchanged.

Fiscal Summary

State Effect: Special fund expenditures for PSC’s travel and other public hearing expenses may decrease, likely no sooner than FY 2022, as discussed below. Special fund revenues from assessments on public service companies decrease correspondingly. The overall effect on PSC’s finances is likely modest.

Local Effect: Local government travel-related expenses may decrease, likely no sooner than FY 2022; the amount, if any, does not materially affect local government finances.

Small Business Effect: Minimal.

Analysis

Current Law: Public hearing requirements for rate increases and CPCN applications do not explicitly specify that a hearing must be in person, but related requirements presuppose a physical location, such as references to specific utility service territories and project locations, and requirements for physical signage at CPCN hearings.

State Fiscal Effect: PSC advises that it is currently holding public comment hearings virtually, pursuant to an executive order issued as a result of COVID-19. Therefore, the bill has no effect until after the expiration of that temporary authority – likely no earlier than fiscal 2022, despite the bill’s emergency status. At that point, PSC has the option under the bill to continue holding some or all public comment hearings on rate increases and CPCN applications virtually. PSC advises that virtual hearings reduce its expenditures associated with travel to and from in-person hearings, as well as provide operational time savings. Since PSC’s costs are paid from assessments imposed on public service companies, any reduction in PSC expenditures likewise reduces PSC revenues. However, as PSC’s annual travel budget is approximately \$77,000 in total, the potential effect on PSC’s finances is likely modest.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 430 (Senator Kelley) - Finance.

Information Source(s): Public Service Commission; Department of Legislative Services

Fiscal Note History: First Reader - January 26, 2021
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