

HOUSE BILL 781

C5
HB 1367/21 – HRU

2lr2996

By: **Delegate Jalisi**

Introduced and read first time: February 3, 2022

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Gas and Electric Companies – Deposit Charges and Termination of Service**

3 FOR the purpose of prohibiting a gas company or an electric company from imposing a
4 deposit requirement on customers who are at least a certain age and have a certain
5 annual income, or terminating gas service or electric service to the customer for
6 failure to pay all or part of a deposit under certain circumstances; and generally
7 relating to gas companies, electric companies, and customer billing.

8 BY repealing and reenacting, with amendments,

9 Article – Public Utilities

10 Section 7–305

11 Annotated Code of Maryland

12 (2020 Replacement Volume and 2021 Supplement)

13 BY repealing and reenacting, without amendments,

14 Article – Public Utilities

15 Section 7–307

16 Annotated Code of Maryland

17 (2020 Replacement Volume and 2021 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

19 That the Laws of Maryland read as follows:

20 **Article – Public Utilities**

21 7–305.

22 (a) A gas company or electric company may bill its customers for gas, electricity,
23 or any other service it renders only on the basis of the net total cost of the service under the
24 applicable rate that is filed for that service.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) (1) The Commission may authorize a gas company or electric company to
2 apply an additional charge over the net total cost to any bill or part of a bill that is not paid:

3 (i) within 20 days for a residential customer or residential
4 cooperative; or

5 (ii) within 15 days for any other customer.

6 (2) (i) The additional charge that is applied by a gas company or electric
7 company under this subsection may not exceed 5% of the net bill or part of the bill.

8 (ii) Unless the Commission approves the imposition of different
9 charges on different classes of customers, any additional charges applied by a gas company
10 or electric company under this subsection shall be uniform for all customers.

11 (c) (1) **THIS SUBSECTION APPLIES TO ELECTRIC CUSTOMERS OR GAS
12 CUSTOMERS WHO:**

13 (I) **ARE AT LEAST 65 YEARS OLD; AND**

14 (II) **HAVE AN ANNUAL INCOME AT OR BELOW 300% OF THE
15 FEDERAL POVERTY LEVEL.**

16 (2) **NOTWITHSTANDING § 7-307 OF THIS SUBTITLE, A GAS COMPANY
17 OR AN ELECTRIC COMPANY MAY NOT:**

18 (I) **IMPOSE A DEPOSIT REQUIREMENT ON THE CUSTOMER; OR**

19 (II) **TERMINATE GAS SERVICE OR ELECTRICITY SERVICE TO THE
20 CUSTOMER FOR FAILURE TO PAY ALL OR PART OF A DEPOSIT IF THE CUSTOMER
21 PAYS WHEN DUE ALL CURRENT CHARGES FOR GAS OR ELECTRICITY DELIVERED AND
22 CONSUMED.**

23 7-307.

24 (a) In this section, “termination of service” means the termination, reduction, or
25 refusal to reinstate gas or electric service, or any other action that has the effect of reducing
26 or denying gas or electric service because of nonpayment.

27 (b) (1) Subject to paragraph (2) of this subsection, the Commission shall adopt
28 regulations concerning the prohibition against or limitation of authority of a public service
29 company to terminate service for gas or electricity to a low income residential customer
30 during the heating season for nonpayment.

31 (2) In adopting the regulations required under paragraph (1) of this

1 subsection, the Commission shall consider and may include provisions relating to:

2 (i) the circumstances under which service may and may not be
3 limited or terminated;

4 (ii) the minimum heating levels required to maintain life, health,
5 and safety;

6 (iii) the medical, age, disabling, or other individual characteristics
7 that are relevant to a prohibition against or limitation on the termination of service;

8 (iv) the availability of and qualification for State and federal energy
9 assistance;

10 (v) the financial eligibility standards relevant to a prohibition
11 against or limitation on the termination of service;

12 (vi) the availability and appropriateness of equipment designed to
13 limit the flow of service for gas or electricity;

14 (vii) the short-term and long-term alternative payment plans, for
15 appropriate customers whose accounts are in arrears, that are best designed:

16 1. to allow present and future continuation of service; and

17 2. to encourage full payment over a period of time;

18 (viii) the methods that a public service company might use before and
19 during the heating season to anticipate customer nonpayment, to assist those customers,
20 and to avoid termination of service;

21 (ix) the procedures that a public service company uses to mitigate the
22 problems of termination of service to customers, including customer contact;

23 (x) the procedure that a public service company shall follow before
24 termination of service to a customer to avoid a threat to life, health, or safety;

25 (xi) the appropriate customer notice before the termination of
26 service;

27 (xii) the appropriate opportunity and procedure for a customer to
28 contest a proposed termination of service;

29 (xiii) the existence of other circumstances that because of an
30 emergency, might justify a prohibition against or a limitation on the termination of service;
31 and

1 (xiv) the economic implication of any restriction on termination of
2 service.

3 (c) (1) In accordance with § 2-1257 of the State Government Article, on or
4 before September 1 of each year, the Commission shall report to the General Assembly on
5 terminations of service by public service companies during the previous heating season.

6 (2) The report shall include information in sufficient detail to indicate the
7 effect of the terminations of service on various categories of customers, including:

8 (i) income levels;

9 (ii) geographic areas;

10 (iii) energy assistance recipients; and

11 (iv) any other category that the Commission determines is relevant
12 to evaluate how the State may best address the problem of assuring adequate gas and
13 electric service for low income residential customers.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 October 1, 2022.