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PUBLIC SERVICE COMMISSION

March 10, 2022

Chair C.T. Wilson
Economic Matters Committee
House Office Building, Room 231
Annapolis, MD 21401

RE: HB 1271 – INFORMATION – Public Utilities – Homeowner Utility Repair Fund - Establishment

Dear Chair Wilson, Vice Chair Crosby, and Committee Members:

House Bill 1271 proposes to establish a Homeowner Utility Repair Fund to offset the costs that a low- to moderate-income residential customer may incur in connection with a utility company's routine maintenance, repairs, or upgrades. HB 1271 requires the Maryland Public Service Commission to administer the Fund and to determine the amount of money to be transferred annually to the Fund from federal, state, and local government low-income weatherization and energy assistance programs. Such funding sources currently support the Office of Home Energy Programs' Electric Universal Service Program (EUSP) and Maryland Energy Assistance Program (MEAP), the Department of Housing and Community Development's weatherization program, the U.S. Department of Energy Weatherization Assistance Program, and others.

A primary goal of public utility regulation is to ensure the safe, reliable, and economic delivery of utility service. In exchange for the right to serve, utilities bear an unmitigated obligation to ensure the safe operation of their systems. Maintenance, repair and upgrade activities are indispensable to this obligation. Utilities often engage in a variety of maintenance and upgrade activities, including tree trimming, equipment inspections, testing, preventative maintenance, corrective maintenance, infrastructure replacements, facilities relocations and emergency repairs.

Currently, the Commission does not have a process for transmitting compensation to residential ratepayers, and the Commission has no experience in processing claims for reimbursement relating to property damage by Utilities. Given the specific target customer population identified in this bill—*i.e.*, low- to middle-income residential customers—it would be more plausible and efficient for the funding and administration of the Fund be handled by a more appropriate agency, such as the State's residential ratepayer advocate (Maryland Office of People's Counsel) or the Consumer Protection Division of the Attorney General's Office.

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Thank you for the opportunity to provide testimony regarding HB 1271. Please contact Lisa Smith, Director of Legislative Affairs, at (410) 336-6288, if you have any questions.

Sincerely,



Jason M. Stanek
Chairman