



## **FACT SHEETS:**

### **CONSUMER INFORMATION ABOUT GAS AND ELECTRIC UTILITY SERVICE**

1. Applications for Utility Service
2. Security Deposits
3. Even Monthly Payment Plans
4. Alternate Payment Plans (see Alert)
5. High Utility Bills
6. What is USPP
7. Utility Service Terminations
8. Termination Procedures
9. Restrictions on Termination
10. PSC Complaint Process
11. Gas and Electricity Suppliers

**Includes Public Service Commission requirements  
Through April 2011  
COMAR 20.30; 20.31; 20.32; 20.50; 20.53; 20.54; 20.55**

### **Maryland Office of People's Counsel**

**6 St. Paul Street, Suite 2102  
Baltimore, MD 21202**

**410-767-8150**

**1-800-207-4055**

**[www.opc.state.md.us](http://www.opc.state.md.us)**

## FACT SHEET 1 - APPLICATIONS FOR GAS & ELECTRIC SERVICE

1. A person can apply for service by telephone, in person or by written request.
  - The utility can require verification of verbal applications.
2. One or more persons can be the “customer” for a particular household account at the request of the customer.
3. The utility can ask for certain information:
  - Name, address and telephone numbers
  - Employer
  - Alternate mailing address and telephone number if customer is not an occupant
  - Former address where customer had utility service
  - Names of other customers of record
  - Creditworthiness information (see Security Deposit Fact Sheet)
4. A utility can deny an application:
  - Outstanding bill from a prior residence.
  - Customer application was in a fictitious name, in name of person who is not an occupant (without disclosure); in name of a 3<sup>rd</sup> party (without permission or disclosure).
  - Misrepresentation or failure to disclose a material fact.
  - Co-occupant bills:
    - There is a current co-occupant who has a past due bill for same address when both customer and co-occupant resided there;
    - There is an outstanding bill for a prior address of the applicant and co-occupant, and that prior bill was listed in the current co-occupant’s name;
    - The application was made for the purpose of assisting another person to avoid payment of an outstanding bill.
  - Failure to pay a security deposit.
5. A person cannot be denied service for the following reasons:
  - If the outstanding bill is over 7 years old, unless the customer signed an agreement to pay the bill or the outstanding bill is for service obtained in a fraudulent or deceptive manner.
  - Outstanding bill of a previous occupant (unless customer was a co-occupant) or landlord.
  - Outstanding bill for merchandise or service contracts.
  - Outstanding bills for service used in non-residential units.
  - Outstanding bills for another customer that the customer guaranteed.
6. A utility may provide conditional service for no more than 30 days while it conducts an investigation.
7. A utility must notify a customer in writing of the reasons for denying or disconnecting service.

## FACT SHEET 2 – SECURITY DEPOSITS

1. A utility can require a security deposit if an applicant or customer is not considered "creditworthy."
2. A utility cannot impose a security deposit based upon the economic character or collective credit reputation of the person's neighborhood or geographic profile.
3. A utility can look at several factors:
  - Utility payment history for past two years;
  - Current status of utility accounts;
  - Service disconnections in the past year;
  - Number of late payments in past 12 months (more than two)
4. A utility can also ask for information:
  - Proof of continuous employment for three years with one employer;
  - Ownership information.
5. If an applicant or customer is considered a credit risk, the utility can ask for a guaranty or security deposit.
6. A utility can ask an existing customer for a security deposit if the customer has had two late or missed payments in one year, had service disconnected, is more than 2 months past due on her account or circumstances have "materially changed."
7. The utility must calculate the security deposit in a specific way:
  - For most utilities, the deposit cannot be greater than 2/12 of the estimated annual bill of the customer ( i.e. average total bill for the next year)
  - Example:  $2/12 \times 2000$  average annual bill=\$333
8. The utility must return the deposit with accrued interest after deduction for any charges owed:
  - When the customer discontinues service;
  - If the customer has a good payment record for one year;
  - If the customer otherwise establishes credit.
9. The utility must offer an installment plan to pay the deposit.
10. Exemption: Customers aged 60 or older are exempt from cash deposit requirements if they show proof:
  - Age
  - Primary consumer-lease or title in name of customer
  - No outstanding bills
  - Any deposit must be required on request if customer is age 60 and has no outstanding bill.

### FACT SHEET 3 - EVEN MONTHLY PAYMENT PLANS IN MARYLAND

1. Even monthly payment plans are PSC approved utility programs.
  - The BGE plan is called **budget billing**.
2. A customer may sign up for this plan subject to the utility's restrictions.
  - The utility may limit participation to “creditworthy” customers unless you receive EUSP assistance
3. Even monthly payment plans are a mandatory part of the EUSP program
4. Even monthly payment plans are a mandatory part of USPP (see Fact Sheet 6)
5. The plans provide for even monthly payments over time.
  - Annual average usage / 12 = monthly payment
  - Over time, a credit or debit may build up
6. The monthly payments are adjusted at least two times a year
7. **The utility may adjust the monthly payment up or down more frequently if the debit or credit gets too high**
8. The utility may increase the even payment amount to reflect estimated increases resulting from rate increases
9. These plans do not mean that the customer pays the same amount for 12 months.
10. BGE's budget bill amount includes both gas and electric bills.
11. A “payment plan” or “budget bill” amount is not necessarily an “affordable” amount.

## FACT SHEET 4 - ALTERNATE PAYMENT PLANS

1. There are Commission regulations on alternate payment plans.
  - An alternate payment plan means a payment plan designed to avoid service termination and to pay all outstanding charges to the utility.
  
2. If you are a **low-income customer**, and are not able to pay an outstanding bill in full, the following rule applies:
  - The utility **must** in good faith attempt to negotiate a reasonable alternate payment plan.

NOTE: the Commission does not define "low-income customer."  
TIP: Follow the income guidelines for EUSP and MEAP.
  
3. If you are **not** a low-income customer, but you are unable to pay an outstanding bill in full, the following rule applies:
  - The utility **may** in good faith attempt to negotiate a reasonable alternate payment plan.
  
4. In negotiating an alternate payment plan for any customer, the utility must consider the **circumstances** and **financial condition** of the customer:
  - Size of the outstanding bill;
  - Customer ability to pay;
  - Customer payment history;
  - Any expected energy assistance (EUSP and MEAP) benefits for which the customer may be eligible;
  - The length of time the bill has been outstanding;
  - The circumstances which resulted in the past due bill;
  - Hardships which may result from lack of utility service;
  - Any other relevant factors related to circumstances of the customer.

(more)

5. A utility may refuse to offer or negotiate an alternate payment plan if the following circumstances exist:
  - You have failed to meet the terms of any alternate payment plan (including USPP and EUSP plans) during the past 18 months;
  - You have committed fraud;
  - You have committed theft of utility service;
  - You denied utility access to equipment located on customer's property.
6. If you apply for MEAP and USPP, the utility must make payment arrangements for any outstanding bills up to \$400

### **TIPS**

7. If you are behind on your utility bills:
  - You should contact the utility right away to request a payment plan
  - You should **not** wait for the turn-off notice.
8. If the utility will not work out a reasonable payment arrangement, and you dispute the decision, you can file a complaint with PSC.
9. Customer disputes may include the following:
  - The utility refused to discuss a payment plan with you.
  - You disagree that you have missed payments under a prior payment plan during the previous 18 months.
  - You disagree that you committed "fraud" or that the circumstances cited by the utility should be considered "fraud."
  - You disagree that you committed theft of utility service.
  - You disagree that you denied utility access to equipment on your property.

For more information, see OPC's **Complaint Brochure**.

## FACT SHEET 5 - HIGH UTILITY BILLS

### IF A BILL, OR SET OF BILLS, SEEMS UNUSUALLY HIGH, CHECK THEM OUT!!!

1. The bill may be based on estimated meter readings, not actual usage.
  - Ask for a meter reading
  - Use the postcards or phone in a meter reading
  - If you have an inside meter, ask for a new AMR device
2. The bill may include charges for other unregulated services, such as appliance and service contracts.
  - Your service cannot be terminated for these charges
3. The bill may be based upon a wrong meter reading or a meter may not be working properly.
  - Check the meter reading
  - Ask your utility for a meter test
  - If you are not satisfied with the utility meter test, request a referee test from the Commission (for a small fee)
4. The bill may reflect a lump sum “transfer” of charges:
  - Outstanding bills at prior residences
  - Multiple residences
  - Landlord/prior tenant bills
  - Prior co-occupant bills
  - Current co-occupant bills

Make sure these are really your bills.

5. The household may have a defective furnace or appliances.
6. The household structure or appliances may be very inefficient.
  - Efficiency programs are available from your utility and state agencies
7. The bill may include charges more than seven (7) years old.
  - Your service cannot be terminated for these old bills – if you challenge these charges.

## FACT SHEET 6 - WHAT IS USPP?

1. USPP is the Utility Service Protection Program.
2. USPP is a utility program required by the Public Service Commission.
3. USPP is available to MEAP participants (but not to EUSP-only participants).
4. USPP offers the following benefits:
  - Even monthly payments (budget billing);
    - See **Fact Sheet 3 on Even Monthly Payment Plans**.
  - **No reconnection fee or security deposit for off-service applicants**
  - More specific payment arrangement requirements;
  - 1<sup>st</sup> time applicants – Must be reconnected if arrears are reduced to \$400.
    - Current participants who are off-service must pay an amount that reduces arrears to \$400 or the total outstanding monthly payments, whichever is greater.
    - 1<sup>st</sup> time applicants can apply MEAP benefits to past arrears.
  - Utilities often ask for and receive waivers so they can apply MEAP benefits to past arrears for continuing USPP customers
  - **BGE CAMP**: A BGE USPP customer can get an extra monthly credit for each month the BGE bill is paid up to date and on time
  - **WGL RES**: A WGL USPP customer can get an extra monthly credit for each month the WGL bill is paid up to date and on time
5. **Reminder: Bill Extender Plan**
  - **The Bill Extender Plan** allows you to get a bill payment date that works with your check receipt date
  - All utility customers on Social Security or other government-provided assistance programs should participate in the utility's Bill Extender Plan to avoid late fees.



## FACT SHEET 7 - UTILITY SERVICE TERMINATIONS

1. A utility can terminate service only for reasons approved by the Commission:
  - Nonpayment of bills or security deposit
  - Failure to comply with company rules
  - Refusal to allow reasonable access to utility equipment
  - Fraudulent or misleading application
  - Non-disclosure of material facts
  - Co-occupant bills
  - Safety hazards
  - Tampering
2. A utility cannot terminate service for a disputed bill. To get this protection, a customer must file a complaint with the Commission disputing the reason for the termination before the utility shuts off service.
  - The customer is required to pay the undisputed portion of a bill.
3. If a customer is off service, a utility is not required to restore service after a customer files a complaint.
4. A utility cannot terminate service for these reasons:
  - Outstanding bill of a previous occupant (unless customer was a co-occupant) or landlord
  - Merchandise or service contracts
  - Service used in non-residential units (e.g., commercial)
  - A past-due utility bill that the customer guaranteed for another customer
  - A bill that is outstanding for less than 3 months (if the security deposit exceeds the bill)
  - An outstanding bill that is \$100 or less and delinquent less than 3 months
  - A charge to correct a meter error the utility did not discover for a period greater than 4 months
  - An outstanding bill that is more than 7 years old, unless:
    - Customer signed a payment agreement or
    - The outstanding bill is for service obtained in a deceptive or fraudulent manner, or as a result of certain co-occupancy situations.

## FACT SHEET 8 – SERVICE TERMINATION PROCEDURES

1. A utility must make reasonable attempts to collect past-due bills before it sends a termination notice and shuts off service.
2. A utility must provide written notice of the reasons for termination:
  - 14-day notice:
    - Nonpayment of bills or security deposit;
    - Failure to comply with company rules;
    - Refusal to allow reasonable access to utility equipment.
  - 7-day notice:
    - Fraudulent or misleading application;
    - Non-disclosure of material facts;
    - Co-occupant bills.
  - No notice:
    - Safety hazards, tampering, unauthorized use.
3. The notice must include certain information:
  - Name and account number of the customer
  - Address where service is to be terminated
  - Statement of reasons for termination
  - Termination date
  - Reconnection fees, if any
    - Note: A USPP participant is not required to pay this fee.
  - Statement of total amount due
  - A statement of customer rights and remedies
    - See **Complaint Brochure**
    - See **Fact Sheet 4 on Alternate Payment Plans**
  - A statement of customer responsibilities
    - See **Fact Sheet 9 on Termination Restrictions**
4. The 7-day notice must include specific information:
  - Manner in which service was secured;
  - Approximate period of service used;
  - Amount of the bill
  - Summary of facts upon which utility bases its decision to terminate service.
5. Notice to tenants of a master-metered building is required.
  - 14-day notice:
    - Individual—notice by 1<sup>st</sup> class mail or flyers;
    - Posting of termination notices in building.

## FACT SHEET 9 RESTRICTIONS ON SERVICE TERMINATIONS

### General Restriction

1. A utility cannot terminate service if it has reason to believe that termination would endanger the health or life of an occupant of the customer's residence.

**Catch-22:** You must notify the utility of the health and safety issues.  
You therefore must know you must notify the utility.

### Specific Restrictions

1. **Medical:** Serious illness or life-support equipment.
  - The termination must "aggravate" a serious illness or prevent the use of life-support equipment
  - The termination can be delayed for an initial period of 30 days;
  - You must provide the utility a certification from a licensed physician;
  - You must notify and provide certification to the utility before any termination;
  - When a utility uses a form for the physician to certify a serious illness or the need for life support equipment, it shall use the form provided by the Commission.
  - A utility **shall** accept a certification from a licensed physician of a serious illness or need for life support equipment.
  - The customer must make payment arrangements;
  - The certificate is renewable.
  - The certification is available at [www.psc.state.md.us](http://www.psc.state.md.us).
2. **Elderly or disabled** customers (or household occupants).
  - Elderly: 65 or older.
  - Disabled: (1) Person has a physical or mental impairment which substantially limits one or more life activities, and (2) (a) receives disability payments or (b) has a physician's certificate for a physical disability or a psychiatrist/psychologist's certificate for a mental impairment.
  - The customer must notify and provide a certification to utility before any termination.
  - Upon notice that a household has elderly or disabled occupants, the utility must take additional steps to notify customers regarding a termination.
    - Telephone the customer, or
    - Visit the premises and leave a copy of the notice.
    - Utility must document each attempt to make personal contact.

(more)

### **Extreme Weather (Hot and Cold)**

1. Gas and electric utilities cannot shut off service during periods of extreme weather.
2. Service shut-offs are prohibited on any day with a forecast at 6 a.m. of 32 degrees or below, or 95 degrees and above, during the next 72 hour period. For gas service, this limit applies in hot weather only if gas is used for cooling, and you have notified the gas company of this use.

### **Winter Restrictions**

1. There is no such thing as a winter moratorium on service terminations in Maryland.
2. There are limits on winter shut-offs, in addition to the extreme weather limitation.
3. The utility cannot terminate service for a bill of gas or electric bill of \$200 or less, or \$300 or less for a combined gas and electric company.
4. The utility must file an affidavit with the Public Service Commission:
  - File at least 24 hours before shut-off;
  - Certify that shut-off will not pose a threat to life or health of occupants
  - State whether customer claims an occupant is elderly, disabled, seriously ill or dependent upon life support equipment.
5. The utility must attempt personal contact **on two separate days** and provide information on energy programs:
  - Telephone; or
  - Visit to premises.

## FACT SHEET 10 - PSC COMPLAINT PROCESS

1. The Public Service Commission (PSC) regulates utilities and the services they provide and is the licensing agency for energy suppliers.
2. A utility customer can use the PSC complaint process for unresolved disputes with utilities and energy suppliers:
  - Solicitation and contracts with energy suppliers
  - Billing disputes;
  - Service denials and terminations;
  - Service quality.
3. The customer should take the following steps:
  - Contact the utility (or supplier) to try to work out dispute:
    - Customer Service representative; and if not satisfied;
    - Supervisor.
  - If problem not resolved, customer can file a complaint with Public Service Commission's Office of External Relations (OER):
    - Always send a written complaint or follow-up letter
4. Complaint options:
  - File a complaint online at [www.psc.state.md.us](http://www.psc.state.md.us)
  - Download a PSC complaint form at [www.psc.state.md.us](http://www.psc.state.md.us) and mail it with your documents
  - Call OER at 410-767-028 or 1-800-492-0474 to make a complaint

**IMPORTANT: CALL 1-800-492-0474 and press #3 if you have a turn off notice and need an extension or a payment plan.**

**Supplier Complaint:** If your complaint involves a supplier and you have a past due bill, file a complaint with the PSC against both the supplier and utility that bills you.

5. The customer is entitled to a written decision or complaint
6. The customer has a right to appeal the decision by OER
7. A utility cannot terminate service for a bill amount in dispute
  - The customer is responsible for the undisputed portion of bill
8. Check out the OPC **Complaint brochure**

## FACT SHEET 11 - GAS AND ELECTRICITY SUPPLIERS

1. Residential customers can buy their gas and electricity supply from licensed suppliers.
  - The gas utility delivers the gas.
  - The electric utility delivers the electricity.
2. Suppliers must be licensed by the PSC. Check [www.psc.state.md.us](http://www.psc.state.md.us) (Electric Suppliers link and Gas Suppliers link) for a list of active suppliers in your service area.
3. There is a difference between energy suppliers who actually can sell you gas or electricity supply, and brokers– they act as middlemen or as marketing agents. Know who you are dealing with.
4. The Public Service Commission (PSC) has established rules for suppliers:
  - Solicitation;
  - Marketing;
  - Contract terms;
  - Deposits
  - Contracting methods
  - Contract renewal
5. Supplier prices are not regulated by the PSC.
6. Suppliers also are subject to Maryland's Consumer Protection Act, which prohibits unfair or deceptive practices and has rules on Door to Door Sales and Telephone Solicitation.
7. Customers may file supplier complaints with the PSC.
8. Supplier charges appear separately on the utility bills.
9. See the OPC website for information about contracting with suppliers:
  - Price comparison information
  - Guide to contracting with gas and electricity suppliers
  - [www.opc.state.md.us](http://www.opc.state.md.us)