



FACT SHEETS:

CONSUMER INFORMATION ABOUT GAS AND ELECTRIC UTILITY SERVICE

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Maryland Office of People's Counsel

6 St. Paul Street, Suite 2102

Baltimore, MD 21202

410-767-8150 1-800-207-4055

www.opc.maryland.gov

[DLInfo OPC@maryland.gov](mailto:DLInfo_OPC@maryland.gov)

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OPC FACT SHEET 1 - APPLICATIONS FOR GAS & ELECTRIC SERVICE

1. A person can apply for service by telephone, in person or by written request.
2. One or more persons can be the “customer” for a particular household account at the request of the customer.
3. The utility can require verification and 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 3rd 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 the current address while both customer and co-occupant have 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 (e.g., credit reports or credit scores).
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 deductions:
 - 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 utility consumer – home lease or title is in name of customer
 - No outstanding utility bills
 - Any deposit must be refunded 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 from the Office of Home Energy Programs (OHEP) or participate in USPP.
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.
12. For customers with energy supplier contracts, the utility only provides these plans for the distribution charges on the bill (Potomac Edison and Washington Gas may be exceptions) A supplier may offer these plans for its own supplier charges.

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 energy assistance programs administered by OHEP (175% of FPL).

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 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 **Fact Sheet 10 – PSC Complaint Process**

FACT SHEET 5 - HIGH UTILITY BILLS

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

1. 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. See **Fact Sheet 1** for co-occupancy rules.

2. The household may have a defective furnace or appliances.
3. The household structure or appliances may be very inefficient.
 - Efficiency programs are available from your major electric and gas utilities and DHCD (LIEEP, a low-income efficiency program)
4. The bill may include charges more than seven (7) years old.
 - Your service cannot be terminated for these old bills, unless exceptions apply – but you must challenge the old bills.
5. The bill may include charges for unregulated services, such as appliances or service contracts.
 - Your bill cannot be terminated for these charges
6. The bill may be based on *estimated* meter readings, not actual usage. For non-AMI (smart meters):
 - Ask for, or phone in, a meter reading to get a bill adjustment
7. For non-AMI meters, the bill may be based upon a wrong meter reading or a meter may not be working properly (this is not common)
 - 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 Public Service Commission (for a small fee)

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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:
 - 1st 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.
 - 1st 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
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 with utility equipment
- Theft of energy

NOTE: **Theft of energy (TOE) investigations** have increased with the installation of AMI (smart) meters. These investigations can interfere with a customer's ability to use electric or gas arrearage funds from OHEP for past due bills.

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 **Fact Sheet 4 on Alternate Payment Plans**
 - A statement of customer responsibilities
 - See **Fact Sheets 7-9 on Service Terminations and 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 occupants of a master-metered building is required.
 - 14-day notice:
 - Individual—notice by 1st class mail or flyers; and
 - Posting of termination notices in conspicuous areas of building.

FACT SHEET 9

RESTRICTIONS ON SERVICE TERMINATIONS

General Restriction

Extreme Weather

- 1) Service shut-offs are prohibited on any day with a forecast at 6AM of 32 degrees or below, or 95 degrees or above, during the next 72-hour period. **The weather restriction is short-term.** 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.
- 2) The utility cannot terminate service for:
 - A gas OR electric bill of \$200 or less
 - A combined gas AND electric bill of \$300 or less
- 3) Winter Protections in place November 1-March 31. **There is no such thing as a winter moratorium on shut-offs.**

If the utility wants to disconnect a customer during extreme weather

- 1) The utility must file an affidavit with the Public Service Commission (PSC). They filing must:
 - a. Be at least 24 hours before shut-off;
 - b. Certify that shut-off **will not pose a threat to life or health** of occupants;
 - c. State whether a customer claims an occupant is an older adult, has a disability, is seriously ill or dependent upon life support equipment.
- 2) The utility must attempt personal contact **on two separate days** and provide information on energy programs either by telephone or by visiting the account holder.

General Protections

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.

- 1) Medical: The termination must "aggravate" a serious illness or prevent the use of life support equipment.
- 2) Older Adults: 65 or older.
- 3) Person with a disability: (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 certificate for a physical disability or a mental impairment.

- **You must provide the utility a PSC Medical Certification form filled out by a licensed physician, physician's assistant, or certified nurse practitioner before the termination of service.**
- **You must enter into a payment arrangement with the utility.**

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:
 - Unauthorized enrollment, deceptive marketing, and contract disputes with energy suppliers –
 - **See OPC Fact Sheets: Consumer Information about Retail 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 the Public Service Commission's Consumer Assistance Division (CAD):
4. Complaint options:
 - File a complaint online at www.psc.state.md.us. If you have documents, mail or fax them
 - Download a PSC complaint form at www.psc.state.md.us and mail it with your documents
 - If you do not have a computer or access to one, call CAD at 410-767-028 or 1-800-492-0474 and ask them to mail you a complaint form. Inform the CAD representative if you have a shut-off notice or are off-service, and ask them to take a complaint by phone. A form will be mailed to you to fill out and return.
5. The customer is entitled to a written decision or complaint
6. The customer has a right to appeal the decision by CAD
7. A utility cannot terminate service for a bill amount in dispute
 - The customer is responsible for the undisputed portion of bill