

**STATE OF MARYLAND
OFFICE OF PEOPLE'S COUNSEL**

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BILL NO.: **HB1207 – Electric Companies-Conduit Installation-
Single Family Dwelling Developments**

COMMITTEE: **Economic Matters**

HEARING DATE: **March 12, 2020**

SPONSORS: **Delegates Morgan and Clark**

POSITION: **Oppose**

The Office of People's Counsel (OPC) submits these comments in opposition to HB1207-Electric Companies-Conduit Installation-Single Family Dwelling Developments. HB1207 would require local distribution companies such as SMECO and Easton Utilities to pay for underground electric infrastructure in certain housing developments instead of the developer of the housing developments. As a consequence of the change in current Public Service Commission policy and the existing tariffs of the electric distribution companies, the costs of undergrounding new electric distribution infrastructure will be imposed on all existing customers of the affected utilities. The Public Service Commission recently decided to uphold the current tariffs of the local distributing companies requiring payment of these costs by the developers of housing projects in response to a complaint filed by the Maryland Building Industry Association.

While the undergrounding of electric distribution infrastructure to new housing developments will enhance the reliability and resiliency of the local grid, undergrounding of this infrastructure to certain new housing developments incurs costs to the local utility. The long standing policy of the Public Service Commission is that such costs should be borne by the new customers through the developer of the housing project rather than be allocated to the existing customers of the utility.

OPC on behalf of residential customers of the local distribution companies would urge the Economic Matters not to overturn existing PSC precedent and policy in the allocation of costs for new electric distribution infrastructure. OPC requests an unfavorable report on HB1207.