

Gas and Electric Consumer Rights

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This resource guide is designed to explain the rights you have as a residential utility customer. If you have any questions, reach out to our office at 410-767-8150 or OPC@maryland.gov.

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Applications for utility services

A person can apply for service by telephone, in person or by written request. One or more persons can be the “customer” for a particular household account at the request of the customer.

The utility can require verification and ask for certain information.

- Name, address and telephone number
- Employer
- Alternate mailing address and telephone number if the customer does not live in the home
- Former address where the customer held utility service
- Names of other customers at address
- Creditworthiness

Reasons a utility can deny an application for service:

- Outstanding bill from a previous residence
- Customer application was in a false name or in the name of a 3rd party without their permission
- Misrepresentation or failure to disclose a material fact
- Failure to pay a security deposit
- Co-occupant bill issues
 - current co-occupant has a past due bill for the current address while both customer and co-occupant have lived there
 - outstanding bill exists for a previous address of the applicant and co-occupant, and that prior bill was listed in the current co-occupant's name
 - service application was made for the purpose of assisting another person to avoid payment of an outstanding bill

Reasons a person cannot be denied service:

- 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

A utility may provide conditional service for no more than 30 days while it conducts an investigation. A utility must notify a customer in writing of the reasons for denying or disconnecting service.

Security deposits

A utility can require a security deposit if an applicant or customer is not considered “creditworthy.” A utility cannot force a security deposit based upon the lifestyle of the person’s neighborhood or living arrangements.

Factors looked into by utilities:

- 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 could be problematic)

A utility can also ask for information:

- Proof of continuous employment for three years with one employer
- Ownership information

If an applicant or customer is considered a credit risk, the utility can ask for a guarantee or security deposit (e.g., credit reports or credit scores).

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, and is more than two months past due on their account or circumstances have “materially changed.”

How a security deposit is calculated

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 (average total bill for the next year). Example: $2/12 \times \$2,000$ average annual bill = \$333.

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

The utility must offer an installment plan to pay the deposit.

There are exemptions from cash deposit requirements for customers aged 60 or older 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.

Payment plans

Even monthly payment plans

Even monthly payment plans are Public Service Commission-approved utility programs. The BGE plan is called budget billing. A customer may sign up for this plan subject to the utility's restrictions. The utility may limit participation to "creditworthy" customers.

The plans provide for even monthly payments over time. However, these plans do not mean that the customer pays the same amount for 12 months

- $\text{Annual average usage}/12 = \text{monthly payment}$
- Over time, a *credit* or *debit* may build up

The monthly payments are adjusted at least two times a year. The utility may adjust the monthly payment up or down more frequently if the debit or credit gets too high. The utility may increase the payment amount to reflect estimated increases resulting from rate increases. A "payment plan" or "budget bill" amount is not necessarily an "affordable" amount.

For customers with retail 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 retail supplier may offer other plans for its' own supplier charges.

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.

- 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 alternative payment plan.

- 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.

In negotiating an alternate payment plan for any customer, the utility must consider the circumstances and financial condition of the customer, including:

- 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 that resulted in the past due bill
- Hardships that may result from lack of utility service
- Any other relevant factors related to circumstances of the customer

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 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

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

If the utility will not work out a reasonable payment arrangement, and you dispute the decision, you can file a complaint with Public Service Commission.

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

High utility bills

Possible reasons for a high utility bill:

- The bill may reflect a lump sum “transfer” of charges. Make sure they are really your bills:
 - Outstanding bills at prior residences
 - Multiple residences
 - Landlord/prior tenant bills
 - Prior or current co-occupant bills
- The household may have a defective furnace or appliances.
- The household structure or appliances may be very inefficient. Efficiency programs are available from your major electric and gas utilities and Department of Housing and Community Development.
- The bill may include charges more than 7 years old. Your service

- cannot be terminated for these old bills, unless exceptions apply – but you must challenge the old bills.
- The bill may include charges for unregulated services, such as appliances or service contracts. Your bill cannot be terminated for these charges.
 - The bill may be based on *estimated* meter readings, not actual usage. For non-AMI (smartmeters), ask for, or phone in, a meter reading to get a bill adjustment.
 - The bill may be based upon a wrong meter reading or a meter may not be working properly (this is not common). Ask your utility for a meter test if you think something is wrong with your meter. If you are not satisfied with the utility meter test, request a referee test from the Public Service Commission (for a small fee).

What is USPP?

USPP is the Utility Service Protection Program. USPP is a utility program required by the Public Service Commission.

USPP offers the following benefits:

- Even monthly payments (budget billing)
- No reconnection fee or security deposit for off-service applicants
- More specific payment arrangement requirements:
 - 1st time applicants for USPP 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.

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.

Utility service terminations

Reasons a utility can terminate service

A utility **can** terminate service only for reasons approved by the Public Service 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.

Reasons a utility cannot terminate service

A utility **cannot** terminate service for:

- A Public Service Commission 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. If a customer is off service, a utility is not required to restore service after a customer files a complaint.
- 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

Service termination procedures

A utility must make reasonable attempts to collect past-due bills before it sends a termination notice and shuts off service.

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

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 (USPP participants are not required to pay this fee)
- Statement of total amount due
- A statement of customer rights and remedies
- A statement of customer responsibilities

The 7-day notice must include specific information

- Manner that service was secured
- Approximate period of service used
- Amount of the bill
- Summary of facts upon which utility bases its decision to terminate

A 14-day notice to occupants of a master-metered building is required. Individuals should be notified by 1st class mail or flyers, and there should be a posting of termination notices in conspicuous areas of the building.

Restrictions on service termination

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.

- Medical: The termination must "aggravate" a serious illness or prevent the use of life support equipment.
- Older Adults: 65 or older.
- 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 Public Service Commission 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.

Extreme weather

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. Winter Protections are 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 The utility must file an affidavit with the Public Service Commission. The filing must:

- Be at least 24 hours before shut-off
- Certify that shut-off will not pose a threat to life or health of occupants
- State whether a customer claims an occupant is an older adult, has a disability, is seriously ill or dependent upon life support equipment

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.

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

PSC complaint process

The Public Service Commission (PSC) regulates utilities and the services they provide and is the licensing agency for retail energy suppliers. A utility customer can use the PSC complaint process for unresolved disputes with utilities and retail energy suppliers:

- Unauthorized enrollment, deceptive marketing, and contract disputes with retail energy suppliers
- Billing disputes
- Service denials and terminations
- Service quality

The customer should take the following steps:

- Contact the utility (or supplier) to try to work out dispute. First try to work with the Customer Service representative and the Supervisor.
- If the problem is not resolved, the customer can file a complaint with the Public Service Commission's Consumer Assistance

Division (CAD).

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 410-767-0280 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.

The customer is entitled to a written decision or complaint. The customer has a right to appeal the decision by CAD.