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BILL NO.: **House Bill 218**
Prince George’s County –Utility Service—Master Meters (PG 429-18)

COMMITTEE: **Economic Matters**

HEARING DATE: **January 25, 2018**

SPONSORS: **Prince George’s County Delegation**

POSITION: **Informational**

House Bill 218 would prohibit the Public Service Commission (“PSC” or “Commission”) and the Washington Suburban Sanitary Commission (“WSSC”) from authorizing the use of master meters in residential multiple occupancy buildings constructed for condominium or cooperative ownership or converted thereto. If a residential multiple occupancy building already has master meters and is intended to be converted to condominium or cooperative ownership, the conversion may not take effect until individual meters have been installed for each individual dwelling unit and for the common areas of the building. The bill would apply to the use of gas, electric and water meters in Prince George’s County only.

The Public Service Commission has authority over the use of gas and electric meters in the State, while the Washington Suburban Sanitary Commission has authority over the use of water meters in Prince George’s and Montgomery Counties. The current Public Service Commission Law prohibits the use of gas and electric master meters in residential multi-unit buildings, shopping centers and local housing authority buildings built after July 1, 1978, with two limited exceptions.¹ The Bill would modify current law to prohibit the use of master meters

¹ Public Utilities Article, §§ 7-301(c)(3) and (4), and 7-304.1.

in residential multi-unit buildings constructed for, or converted to, condominium or cooperative ownership, *with no exceptions*.

House Bill 218 addresses problems that can arise in condominium or cooperative buildings when utility service is billed through a master meter. If the building owner does not pay the utility what is due for service, the utility may seek to terminate service to the entire building, which includes common areas and individual residential units.² Termination of service because of failure to pay the master metered account can have serious health and safety implications for everyone who is a resident of the condominium or cooperative development. Residential units lose heat or air conditioning. Furthermore, common area and unit lighting, refrigerators, elevators, alarm systems and fire suppression systems may not work if electricity or water service is terminated for failure to pay the master meter bill.

House Bill 218 appears to be a response to severe utility service termination problems that occurred in late 2016 with a Prince George's County condominium development with master meters.³ The factual circumstances are set forth in documents in the Public Service Commission's Case No. 9430. The Lynnhill Condominium Development had 219 residential units, many of which were owned (or rented from owners) by individuals with moderate incomes.

Once notified of the gas and electric service terminations to the buildings, the Commission immediately ordered the utilities to restore service. However, the issue before the Commission was not the use of gas and electric master meters, which was permissible due to the age of the buildings. The Commission addressed whether Potomac Electric Power Company ("Pepco") and Washington Gas Light Company ("WGL") provided proper notice of termination of service in accordance with the Commission's regulations to the residents of Lynnhill Condominium Development, Inc. ("Lynnhill"). OPC understands that this may have been the first instance of utilities terminating service to residential master metered buildings in Prince George's County. After finding the original notices deficient, the PSC, among other things,

² The building owner may be in arrears on utility bills due to its own financial problems or the failure of some individual unit owners to pay their contribution for the cost of utility service. In either event, all residential units lose service in the event of a service termination.

³ See PSC Case No. 9430, *In the Matter of Service Termination to Lynnhill Condominium Development, Inc. by Potomac Electric Power Company and Washington Gas Light Company*.

ordered the Companies to restore service and to serve individual unit owners with the proper notices of termination.⁴ Service was fully and finally terminated to all units at the Lynnhill complex on October 3, 2017.

House Bill 218 would prevent similar service termination situations from occurring in newly constructed or converted condominium and cooperative buildings by requiring individually metered residential units. OPC does note that the Bill's "no exceptions" individual meter requirement will not apply to existing residential buildings built before July 1, 1978, if they are not converted. The Bill also will not apply to residential buildings if the Commission previously granted permission to use master meters under the "exception" provisions of the law, nor eliminate the "exception" provision for rental buildings built after July 1, 1978.

⁴ The Office of People's Counsel was an active party to that case, as well as PSC Case Nos. 9444 and 9445. Those latter cases address more broadly the Commission's notice requirements for service terminations to individual units and master-metered residential buildings and utility compliance with those requirements.