

Gas and Electric Supplier Issues

1. Where can I find if a supplier has a license to operate?

All electric and gas suppliers are required to be licensed by the Public Service Commission. If a supplier contacts you, ask for the supplier's license number or confirm if a supplier is licensed from the Commission's [website](#). There you can search for the names and contact information of all licensed suppliers or just those that are making offers to new customers.

2. Where can I find a comparison of gas and/or electric supplier rates?

Electric and gas supplier rates are not regulated by the Public Service Commission (PSC). The Public Utility Article ("PUA") § 7-507 (j) states, "An electricity supplier shall post on the Internet information that is readily understandable about its services and rates for small commercial and residential electric customers." This information is available on the PSC [website](#).

In addition, the Maryland Office of People's Counsel (OPC) includes electric and gas supplier offers for comparison shopping on its [website](#).

3. What is the difference between Fixed versus Variable Pricing?

A supplier's pricing is not regulated by the Public Service Commission. A supplier's offer can be for a fixed or variable price.

A "fixed" price offer is one in which the price of electricity will be the same rate each month (for example 9.2 cents per kilowatt hour) for the contract period. The price will not increase or decrease over the term of the contract. If you know your typical monthly usage during the summer and winter months, a fixed price provides you some certainty about what the amount of your bill for electric usage will be. If the market price of electricity increases during your contract term, you will not be subject to that increased price. On the other hand, if the market price of electricity decreases during your contract term, you will not receive the benefit of the lower price.

A "variable" price offer is one under which the price of electricity may vary month-to-month based on the wholesale price of electricity. You may be unable to predict the amount of your bill for electric usage because the price may change. Under variable pricing, you can benefit from any price decreases in electricity, but you may be adversely impacted if the prices rise significantly.

4. Do I have to pay my bill if a gas or electric supplier switched my service without my authorization?

If you dispute a supplier enrollment you must first contact the supplier with your dispute, and then if you are not satisfied you may file the dispute with the Public Service Commission's Office of External Relations (OER). A customer does not have to pay a disputed bill while a dispute is being investigated by the supplier or OER.

A supplier may not enroll a customer without the customer's consent. If it is determined that your service had been switched without your consent, you are not absolved from paying all the supplier charges. Under the regulations, you are only entitled to a refund of the cancellation fee and the difference between the supplier price for the generation service and what you would have paid the utility for the same service. If it is determined that the supplier's price is higher than the utility's price you will receive a refund for the difference. However, if the supplier's price was lower than the utility's price, you will not receive a refund. If the refund is sent to you directly, you should use that money to pay off the outstanding supplier charges on your utility bill.

The Commission's regulations governing unauthorized enrollments ('slamming') can be viewed [here](#).

5. Can my gas or electric supplier charge me a fee for canceling service?

Public Service Commission regulations authorize gas and electric suppliers to impose a reasonable early cancellation fee if a customer cancels the contract before the expiration date. However, PSC rules prohibit the supplier from including the cancellation fee on the utility bill. If the supplier charged a deposit to begin service, the supplier can deduct the cancellation fee from the deposit. The supplier's contract must contain all material terms and conditions, including:

- (1) A statement that the customer may terminate the contract early, including the:
 - a. Circumstances under which early cancellation by the customer may occur;
 - b. Manner in which the customer shall notify the supplier of the early cancellation of the contract;
 - c. Duration of the notice period before early cancellation;
 - d. Remedies available to the supplier if early cancellation occurs; and
 - e. Amount of any early cancellation fee;

6. What kind of notice is my gas or electric supplier required to provide me before renewing my contract?

Most supplier contracts are “evergreen contract”, which means that the contract can automatically renew without any action by the customer. However, Public Service Commission rules require that the gas or electric supplier provide a customer with a notice of the pending renewal of an evergreen contract 45 days before the automatic renewal is scheduled to occur. The supplier is required to do the following:

- a. Provide a clearly stated and highlighted notice to a customer of any changes in the material terms and conditions of the agreement;
- b. Inform the customer how to terminate the contract without penalty; and
- c. Inform the customer that terminating the evergreen contract without selecting another supplier will return the customer to utility commodity service.

7. Can the utility company terminate my service if I refuse to pay supplier charges on my bill?

The utility may terminate your gas or electric service for nonpayment of supplier charges when the utility purchases the receivables of a supplier under COMAR 20.53.05.03. The purchase of receivables is referred to as “POR”. This is because the purchased supplier receivables become utility charges for the purpose of termination of service under COMAR 20.31. The utility has already paid the supplier the amount billed so the amount outstanding on the utility bill is now owed to the utility.

8. Where can I go for more information?

The Public Service Commission has additional [Electric Choice information](#) on its website.

In addition, the Office of People’s Counsel has information on its [website](#). Your utility will also have a section dedicated to Customer Choice on its [website](#).

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