

**ORDER NO. 87725**

IN THE MATTER OF THE ELECTRIC  
UNIVERSAL SERVICE PROGRAM.

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BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF MARYLAND

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CASE NO. 8903  
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**Issued: August 17, 2016**

**To: All Parties of Record and Interested Persons**

On June 7, 2016, the Maryland Department of Human Resources Family Investment Administration Office of Home Energy Programs (“OHEP”) submitted to the Public Service Commission of Maryland (“Commission”) OHEP’s Proposed Operations Plan for Fiscal Year (“FY”) 2017 (“Proposed Plan”) for the Electric Universal Service Program (“EUSP”). Written comments were filed by the Commission’s Technical Staff (“Staff”), the Maryland Office of People’s Counsel (“OPC”), the Fuel Fund of Maryland, and Choptank Electric Cooperative, Inc. (“Choptank”). On August 9, 2016, the Retail Energy Supply Association (“RESA”) filed a Petition to Intervene Out-of-Time. On August 11, 2016, after the submission of written comments, a public hearing was held on this matter (“Hearing”).

OHEP’s Proposed Plan describes the available funds for support of EUSP. The aggregate total of funding for EUSP in FY 2017, according to OHEP, amounts to \$79,000,000: \$37,000,000 from EUSP Ratepayer Funds (“Ratepayer Fund”) and \$42,000,000 from the Maryland Strategic Energy Investment Fund (“MSEIF”). It appears from the Proposed Plan that OHEP proposes to allocate the Ratepayer Fund as

follows: the amount of \$4,440,000 to administration; \$200,000 to outreach; \$1,000,000 to Direct Program Costs; \$1,423,162 for OHEP's EUSP Data System; \$0 for arrearage retirement assistance; and the remaining amount to bill payment assistance.

The Commission's statutory oversight and authority extends to the approval of the proposed allocation of the bill assistance and arrearage components of the EUSP.<sup>1</sup> See § 7-512.1 of the Public Utilities Article, *Annotated Code of Maryland*. Accordingly, the Commission takes action only on the allocation of the Ratepayer Fund.

After hearing from OHEP, OPC, The Potomac Edison Company, RESA, and the Commission Staff at the Hearing, the Commission granted RESA's Petition to Intervene Out-of-Time. In addition, after consideration of the parties' comments and discussion at the Hearing, the Commission approves the allocation for the Ratepayer Fund for FY 2017 as follows:

- \$4,440,000 to Administration
- \$200,000 to Outreach
- \$1,423,162 to EUSP Data System
- \$29,936,838 to Bill Payment Assistance
- \$1,000,000 to EUSP Direct Program Costs<sup>2</sup>
- \$0 to Arrearage Retirement

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<sup>1</sup> The Commission will also continue to monitor energy assistance-related directives it has issued in other cases, including Order No. 86372 concerning Dominion Cove Point, and Order No. 86990 concerning the merger of Exelon Corporation and Pepco Holdings, Inc.

<sup>2</sup> Although the Commission is approving the proposed allocation of \$1,000,000 for EUSP Direct Program Costs, the Commission appreciates Staff's concerns about approving these additional administrative allowances, and emphasizes that this approval should not be seen as an endorsement of similar future requests, especially given the need for additional details about administrative spending.

Furthermore, the Commission directs OHEP, in future Operations Plan filings, to provide a thorough explanation, justification, and accounting of all non-Bill Payment Assistance expenses charged to EUSP. This will provide more transparency in OHEP's Proposed EUSP Budget with respect to Administrative Costs and any other overhead expenses, i.e., those costs not directly applied to bill payment assistance. Additionally, to assist the Commission and other stakeholders in properly evaluating OHEP's administration of the EUSP, the Commission directs OHEP to include in future reports more information to assist the Commission and stakeholders in properly evaluating OHEP's administration of the EUSP. Specifically, OHEP shall: 1) report target population penetration to help gauge the effectiveness of its outreach efforts; 2) report the amount of bill payment assistance benefits that are used to pay existing arrearages rather than future electric bills; and 3) calculate an estimated energy burden to help evaluate the adequacy of the proposed benefit amounts for bill payment assistance and arrearage retirement assistance.

Finally, the Commission encourages OHEP to develop a method to allow the processing of applications during June of each year prior to the closing of the fiscal year, and to inform the Commission of its progress in developing that method in next year's Proposed Operations Plan.

**IT IS, THEREFORE,** this 17<sup>th</sup> day of August, in the year Two Thousand and Sixteen, by the Public Service Commission of Maryland,

**ORDERED:** (1) That the Retail Energy Supply Association's Petition to Intervene Out-of-Time is hereby granted;

(2) That OHEP's Proposed Operations Plan for FY 2017 is accepted and the allocations for the Ratepayer Fund, as identified by the Commission in this Order, are hereby approved.

(3) That OHEP is directed to file with the Commission by May 15, 2017 its Proposed Operations Plan for the following fiscal year, including itemized cost details and justification of such Ratepayer Fund expenses not applied to Bill Payment Assistance, as well as the additional information specified in this Order to assist the Commission and stakeholders in properly evaluating OHEP's administration of the EUSP; and

(4) That all other requests not granted herein are denied.

By Direction of the Commission,

*/s/ David J. Collins*

David J. Collins  
Executive Secretary