

**CITY OF BALTIMORE
COUNCIL BILL 07-0295R
(Resolution)**

Introduced by: Councilmembers Conaway, Young, Kraft, Curran, D'Adamo, Crider, Clarke,
Holton, Harris, Middleton, Welch, Reisinger
Introduced and adopted: May 7, 2007

A COUNCIL RESOLUTION CONCERNING

Request to the Governor – Special Session on BGE Rate Increases

FOR the purpose of urging the Governor to convene a special session of the Maryland General Assembly to pass legislation to address the 48% increase that BGE is scheduled to impose on electric power customers in the State of Maryland beginning July 1, 2007.

Recitals

In 1999, legislation was introduced to de-regulate Maryland's electric utility market. The plan capped electricity prices for Baltimore Gas and Electric (BGE) customers at 1993 levels until July 1, 2006. As a result, rates were held at an artificially low level despite increases in global energy prices. These below-market prices prevented suppliers from entering the Maryland electricity market to sell electricity at competitive rates.

In 2006, the rates of electricity were set to jump 72%, an increase that would have made many Baltimore City citizens unable to afford their BGE bills. Instead of this increase, the legislature agreed to ease in the new rates. They created a program in which they capped the increase at 15% in 2006, and the remaining 48% increase would not occur for another year. Now that time has arrived, and BGE customers are dreading a 48% increase in their electric bills on July 1, 2007.

This increase is simply unacceptable. The fact is that an increase of this magnitude will make it impossible for many citizens to pay their bills over the upcoming hot summer months. This rate hike will affect everyone in Baltimore City, and there is little relief in sight. More than ever we need legislation to combat these rate increases and keep our citizens safe and healthy through the summer months. Without affordable power, everyone pays the price. Citizens on fixed incomes will no longer be able to pay their bills, while families working hard to earn a living will not be able to afford to cool their homes over the long hot Baltimore summer.

Five years ago de-regulation did not work. With a properly legislated effort, the General Assembly can repeal the existing de-regulation and re-regulate BGE rates so that the Citizens of Baltimore City can have affordable energy. Now is the time for this legislation. Lessons from the first de-regulation legislation have been learned and we, as a State, should work to make sure that each and every Baltimore City citizen has the ability to pay his or her bills, be healthy, and not concerned that an increase in electric bills will cause detriment to his or her daily life. By convening a special session, these problems can be looked at without the pressures of regular session business, and a reasonable answer can be found among the deluge of questions that are currently on the minds of every Baltimore City citizen.

EXPLANATION: Underlining indicates matter added by amendment.
~~Strike out~~ indicates matter deleted by amendment.

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1 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE**, That this
2 Body urges the Governor to convene a special session of the Maryland General Assembly to
3 pass legislation to address the 48% increase that BGE is scheduled to impose on electric power
4 customers in the State of Maryland beginning July 1, 2007.

5 **AND BE IT FURTHER RESOLVED**, That a copy of this Resolution be sent to the Governor, the
6 Chair and Members of the Public Service Commission, the Mayor, and the Mayor's Legislative
7 Liaison to the City Council.