CITY OF BALTIMORE COUNCIL BILL 09-0109R (Resolution)

Introduced by: Councilmembers Conaway, Kraft, Cole, Henry, Branch, D'Adamo, Middleton, Reisinger, Young, Holton, Clarke, Welch, Curran, Spector Introduced and read first time: February 9, 2009 Assigned to: Urban Affairs and Aging Committee Committee Report: Favorable Adopted: November 16, 2009

A COUNCIL RESOLUTION CONCERNING

1Informational Hearing – BGE – Service to Low Income Customers2For the purpose of requesting the Senior Vice President of Customer Relations and Account3Services for BGE to report to the City Council on efforts to help customers manage energy4costs, the programs offered to customers to assist them in paying for energy, and the5effectiveness of existing programs in preventing the termination of energy services to lower-6income customers.

Recitals

January 2009, Baltimore Gas and Electric (BGE) announced actions that their customers
could take to reduce the amount of natural gas and electricity consumption brought on by this
winter's colder temperatures. Customers were reminded that even if the thermostat is set at a
fixed temperature and never changed, energy usage will increase just to maintain the set
temperature. If the weather gets colder, the longer the heating system has to work to maintain
the temperature setting.

In addition, BGE reminded customers that to keep bills lower, they should take such actions as turning down the thermostat, decreasing hot water usage, using foil tape to close loose seals and gaps in the heating system, and keeping blinds and curtains open during the day and closed at night. In doing its part to help consumers manage energy costs, BGE has instituted budget billing that spreads the annual bill into 12 even monthly payments, a price markdown for using CFLs (compact florescent bulbs that last up to 10 times longer and use 75% less energy), rebates on Energy Star appliances, and the *Peak Rewards* and *Smart Energy Savers* Programs.

As of October, 2008, about 10% of the 1.1 million residential customers were more than 30 days delinquent in paying their bills. And although that percentage was around the same as the previous year, the average outstanding balance was \$700 compared to \$500 the year before. BGE officials report that by November 2008, 34,000 customers had their utility service cut off, compared with 23,000 customers in all of 2007.

BGE is the largest gas and electric utility in Maryland, delivering power to more than 1.2 million electric customers and to more than 640,000 natural gas customers in Central Maryland. Of that number, 270,200 electric customers and 220,400 gas customers live in Baltimore City.

> EXPLANATION: <u>Underlining</u> indicates matter added by amendment. Strike out indicates matter stricken by amendment.

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While technically not a monopoly, the energy giant has the lion's share of the State's energy 1 business. As an integral part of Baltimore's community, it is imperative that BGE work with 2 local government, nonprofits, and other stake holders to make sure that none of our friends, 3 family, or neighbors feel the bitter bite of winter's cold this or any other season. To that end, 4 BGE is requested to develop a re-pay/pre-pay plan whereby the consumer who has lost service 5 could pre-pay for service if they pay a percentage of the past-due bill. The purchase of a \$150 6 pre-pay card would allow service to restored, while paying \$50 toward decreasing the past-due 7 balance. 8

Now, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE, That the
 Senior Vice President of Customer Relations and Account Services for BGE is requested to
 report to the City Council on efforts to help customers manage energy costs, the programs
 offered to customers to assist them in paying for energy, and the effectiveness of existing
 programs in preventing the termination of energy services to lower-income customers.

AND BE IT FURTHER RESOLVED, That a copy of this Resolution be sent to the Mayor, the Honorable Chairs and Members of the Baltimore City Senate and House Delegations to the 2009 Maryland General Assembly, the Senior Vice President of Customer Relations and Account Services for BGE, the Baltimore Health Commissioner, the Director of the Department on Aging, the Director of the Baltimore City Department of Social Services, the Director of the Baltimore Fuel Fund, the Director of the Baltimore Salvation Army, and the Mayor's Legislative Liaison to the City Council.