

"Federation Corner" column  
Montgomery Sentinel - October 29, 2009

### **A look at the Maryland Public Service Commission**

by Chuck Lapinski, Chair, MCCF Public Utilities Committee

Is the Public Service Commission a buffer between the gas and electric utilities, the politicians, and the ratepayers who use these utilities?

The program for the next monthly meeting of the Montgomery County Civic Federation, to be held on November 9, will focus on the Maryland Public Service Commission (PSC): what it does; how it does it; its legal and political limitations; and, our role as citizens and ratepayers in its deliberations and processes. Our guest speaker will be Mr. Gregory Carmean, Executive Director for the PSC. In his capacity, he establishes operating policies, allocates PSC's limited resources, and ensures that the processes, products and services run smoothly in support of the commissioners.

The regulatory powers of the commission cover virtually all public utilities operating in and through our state-- gas, electric, rail transportation, taxis, telecommunications, etc. Water and sewer utilities serving Montgomery County are not covered under the PSC powers but instead fall under the jurisdiction of the Washington Suburban Sanitary Commission, which is governed and regulated by bi-county state legislation affecting Montgomery and Prince George's County.

The PSC commissioners and their staff are severely constrained by Federal law and regulation, as well as by state law and political demands, and they are buffeted by usually very upset ratepayers who have little patience and less understanding of the limitations under which they operate on our behalf. The regulatory proceedings of the PSC ensure that all utilities operating in and through Maryland follow strict guidelines in providing safe, reliable, timely and effective delivery of their services to the customers and users in the state.

There are some very complex issues that currently confront the PSC. At present, commissioners are examining the possible effects of a French nuclear power plant utility/designer-manufacturer proposal to buy out Constellation Energy, which is a large producer and supplier of electricity to Maryland customers. And commissioners are considering the impacts of a proposed power transmission line that would originate in Virginia, cross under the Chesapeake Bay, and end up on the eastern shore.

The program will begin with a brief discussion of the primary purposes of the PSC and its proceedings as well as its history, focusing on major events of the last ten to fifteen years that have forced changes in the way the commission does business for us. The discussion will include a look at the types of constraints, issues and problems that the PSC confronts in fulfilling its mission. This will be followed by a question-and-answer period during which meeting attendees will be able to ask questions of Executive Director Carmean.

There are several key questions we look forward to having addressed during our discussion with Mr. Carmean. What is the process for considering and approving utility rates, and what has led to the big spikes in the rates we pay? Why has competition not worked, and may never work well? What business are our utilities really in--production, transmission and distribution? How has the business of the utility companies changed over the last ten to fifteen years, and what impact has the changes had on users? What constrains our current and future needs: capacity; environmental impacts; interruptions and diminished services; safety; and costs? And what could be the real global effects from foreign investment and competition, and is it in our best interest?

All of us who live in Maryland and use the available utilities have a stake in the proceedings of our Public Service Commission. But our role is limited by the laws under which the commission operates and the

willingness of our political leaders in understanding the business of the utilities and the impact of their legislative judgments. There is a lot to learn, a lot to be concerned about, and perhaps even some things to be thankful for as we explore the function of the commission in regulating the utilities on which the residents of Maryland depend. In reality, the PSC is much more than a buffer, and on November 9 the Civic Federation will identify and explore its other roles and impacts on us.

*The views expressed in this column do not necessarily reflect formal positions adopted by the Federation. To submit an 800-1000 word column for consideration, send as an email attachment to [theelms518@earthlink.net](mailto:theelms518@earthlink.net)*