



## Senate Bill 632

### *Underground Conduit System – Rate Modification Imposed by Local Jurisdiction – Notice, Hearing, and Appeal*

MACo Position: **OPPOSE**

To: Finance Committee

Date: February 23, 2016

From: Natasha Mehu & Michael Sanderson

The Maryland Association of Counties (MACo) **OPPOSES** SB 632. This bill places intrusive and restrictive state oversight on county-owned underground conduit systems.

SB 632 impedes the autonomy a local jurisdiction has over its underground conduit system. The bill would require a county to publish notice and hold a public hearing before it may modify an existing rate charged for use of its underground conduit system, or before it may implement a charge for use. These restrictions could compel duplicative or confusing processes above and beyond those already used by local governments under their own adopted laws for public participation.

The bill also creates an unprecedented appeals process for utility companies to challenge the local jurisdiction's action. The Public Service Commission would have the authority to determine the reasonableness of the local jurisdiction's decision – an area beyond the charge or expertise of the Commission.

Counties own and manage hundreds of miles of underground conduit systems and strongly oppose these requirements. Jurisdictions that lease their conduits would become restricted in their ability to change rates for use and those that do not currently lease their conduits would face hurdles should they wish to do so. Local jurisdictions face increased costs associated with placing legal notice in the newspapers and significant delays instituting changes that must go through a public hearing and an appeal process that may be brought by anyone with financial interest.

The imposition of these requirements are significant and detrimental to local government's ability to reasonably manage their underground conduit systems. For these reasons MACo urges an **UNFAVORABLE** report on HB 632.