

New county energy tax now in place

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By Paige L. Hill

<http://www.thesentinel.com/mont/county-energy-tax>

Residents may be surprised when they open their July Pepco bills.

As the temperatures rise in Montgomery County so will the bottom line of home energy bills as residents face the reality of the 150 percent energy tax increase voted into law earlier this year by county council.

The energy tax went into effect July 1 with the fiscal 2011 budget just as temperatures soared into triple digits. The tax was largely supported by County Executive Isiah "Ike" Leggett (D) who says the energy bill is in the hands of the residents and how much energy they choose to use.

"We don't like the increase any more than anyone else," said Leggett's spokesman Patrick Lacefield. "Barring an increase in the tax, however, county government would have been required to make even deeper reductions in county services."

The energy tax was part of a budget plan that sought to make up for a \$1 billion budget gap by making cuts to jobs and services and raising taxes. Residents now are charged 1.3 cents per kilowatt-hour of electricity use and 11.5 cents per therm of natural gas, according to Pepco spokesman David Morehead. Before the energy tax, residents were charged less than half in electricity and only 4 cents per therm of natural gas.

According to Morehead, an average Montgomery County household of three may be looking at a \$20-\$30 raise in July's bill over 2009's bill. Even in June, residents were under a temporary (and heftier increase) energy tax that saw bills jump more than 300 percent from May to June.

"An average home saw a May bill (increase) of roughly \$15 to \$20, but a June bill in the neighborhood of \$80," Morehead said. "It was a serious shock I'm sure, but residents need to remember Pepco didn't put these new taxes in place."

Lacefield said the county has not yet received revenue figures from the new energy taxes for June, but it is estimated residents will pay \$150 more in energy taxes this year, totaling \$250.

When the energy tax passed in May Leggett made a public statement that it passed "out of necessity" and not as simply a fundraiser for the struggling county budget.

"This is what the recession calls for and everyone will need to simply tighten their belts a bit," Leggett said.