

BY: Delegate Pitkin

AMENDMENT TO HOUSE BILL NO. 703
(First Reading File Bill - Committee Reprint)

On page 22, in line 6, after “(9)” insert “SUBJECT TO SUBSECTION (D)(4) OF THIS SECTION,”.

On page 23, in line 29, after “(1)” insert “SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION,”.

On page 24, in line 1, after “(2)” insert “EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION,”.

On page 24, strike beginning with “BY” in line 10 down through “(IV)” in line 30 and substitute:

“1. FOR PURPOSES OF THIS PARAGRAPH, THE TOTAL CHARGE FOR ELECTRIC SERVICE PAID BY A RESIDENTIAL CUSTOMER AS OF JUNE 30, 1999 INCLUDES BASE RATES, THE APPLICABLE FUEL RATE, ALL PUBLIC BENEFIT SURCHARGES, AND ANY OTHER SURCHARGES APPROVED BY THE COMMISSION.”

2. THE COMMISSION SHALL ESTABLISH A PRICE FOR STANDARD OFFER SERVICE SO THAT THE TOTAL CHARGE FOR ELECTRIC SERVICE PAID BY A RESIDENTIAL CUSTOMER OF AN INVESTOR-OWNED UTILITY WHO PURCHASES STANDARD OFFER SERVICE SHALL BE AT LEAST 7 1/2% BELOW THE TOTAL CHARGE PAID BY THE CUSTOMER FOR RESIDENTIAL SERVICE UNDER ANY RESIDENTIAL TARIFF THAT IS IN EFFECT OR APPROVED BY THE COMMISSION ON JUNE 30, 1999.”

3. THE COMMISSION SHALL DETERMINE THE

(Over)

ALLOCATION OF THE RATE REDUCTION BETWEEN UNBUNDLED GENERATION AND DISTRIBUTION RATES. THIS REDUCTION IN THE CHARGE FOR RESIDENTIAL STANDARD OFFER SERVICE SHALL TAKE EFFECT JULY 1, 2000.

4. THE PRICE FOR RESIDENTIAL STANDARD OFFER SERVICE MAY NOT BE INCREASED BEFORE JULY 1, 2005.

(II) NOTWITHSTANDING THE REQUIREMENTS FOR RESIDENTIAL STANDARD OFFER RATE REDUCTION AND RATE LIMITATION UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE COMMISSION MAY MODIFY THOSE RATES DURING THE TRANSITION PERIOD BASED ON ONE OR MORE OF THE FOLLOWING CRITERIA:

1. A FINDING BY THE COMMISSION, AFTER AN EVIDENTIARY PROCEEDING, THAT THE RATE REDUCTION AND RATE LIMITATION WILL UNDULY IMPAIR THE FINANCIAL CONDITION OF THE INVESTOR-OWNED UTILITY;

2. THE NET EFFECT OF ANY CHANGES IN MARYLAND TAX LAW ON THE COST OF SERVICE OF THE INVESTOR-OWNED UTILITY;

3. THE COST ASSOCIATED WITH THE PUBLIC BENEFITS FUND IN RELATION TO THE AMOUNTS BEING PAID BY RESIDENTIAL CUSTOMERS FOR ELECTRIC SERVICE AS OF JUNE 30, 1999 FOR THE PROGRAMS FUNDED BY THE PUBLIC BENEFITS FUND;

4. NET RATE INCREASES OR DECREASES APPROVED BY THE COMMISSION BEFORE JULY 1, 1999 THAT ARE SCHEDULED TO TAKE EFFECT AFTER JUNE 30, 1999;

5. A FINDING BY THE COMMISSION, AFTER AN EVIDENTIARY PROCEEDING, THAT A SPECIAL RATE MECHANISM TO ALLOW FULL RECOVERY OF ABOVE-MARKET PURCHASED POWER COSTS FROM A QUALIFYING FACILITY CERTIFIED BY THE FEDERAL ENERGY REGULATORY COMMISSION IS IN

THE PUBLIC INTEREST:

6. THE RECOVERY OF OR REFUND TO CUSTOMERS OF THE BALANCE OF DEFERRED FUEL COSTS AS OF JUNE 30, 2000; AND

7. ANY DIFFERENCE BETWEEN THE ENVIRONMENTAL SURCHARGE IN EFFECT AT THE TIME OF THE MODIFICATION AND THE ENVIRONMENTAL SURCHARGE IN EFFECT ON JUNE 30, 1999.

(III) 1. FOR AN INVESTOR-OWNED UTILITY THAT SEEKS TO QUANTIFY AND RECOVER STRANDED COSTS THROUGH A SETTLEMENT AGREEMENT APPROVED BY THE COMMISSION, THE COMMISSION MAY MODIFY THE RATE REDUCTION AND LIMITATION UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH TO FACILITATE THE SUCCESSFUL IMPLEMENTATION OF THE AGREEMENT.

2. THE COMMISSION MAY APPROVE A MODIFICATION TO THE RATE REDUCTION OR RATE LIMITATION ONLY AFTER AN EVIDENTIARY PROCEEDING AND ONLY TO THE MINIMUM EXTENT NECESSARY TO ALLOW IMPLEMENTATION OF THE APPROVED SETTLEMENT AGREEMENT.

(IV) NOTHING IN SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY PROHIBIT THE COMMISSION FROM UTILIZING A COMPETITIVE PROGRAM OR A WHOLESALE PURCHASE TO PROVIDE THE GENERATION PORTION OF RESIDENTIAL STANDARD OFFER SERVICE, IF THE COMPETITIVE PROCESS OR WHOLESALE PURCHASE DOES NOT VIOLATE THE MINIMUM RATE REDUCTION AND RATE LIMITATION OF SUBPARAGRAPH (I) OF THIS PARAGRAPH.

(V)";

in line 30, after "REDUCTIONS" insert "AND LIMITATIONS"; and strike in their entirety lines 33 through 35, inclusive.

(Over)