
By: **Senator Exum**

Introduced and read first time: February 22, 2000

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Electric Utility Restructuring - Universal Service Charge - Allocation**

3 FOR the purpose of requiring the Public Service Commission to make certain
4 allocations of a certain universal service charge in a certain manner; requiring
5 the Commission to prohibit electric companies from assessing a certain charge
6 in a certain manner; repealing a certain requirement for the Commission to
7 make a certain allocation in a certain manner; making this Act an emergency
8 measure; and generally relating to electric utility restructuring and the
9 universal service program.

10 BY repealing and reenacting, with amendments,

11 Article - Public Utility Companies

12 Section 7-512.1(b)

13 Annotated Code of Maryland

14 (1998 Volume and 1999 Supplement)

15 BY repealing and reenacting, without amendments,

16 Article - Public Utility Companies

17 Section 7-512.1(d)

18 Annotated Code of Maryland

19 (1998 Volume and 1999 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

21 MARYLAND, That the Laws of Maryland read as follows:

22 **Article - Public Utility Companies**

23 7-512.1.

24 (b) (1) (i) All customers will contribute to the funding of the universal
25 service program through a charge collected by each electric company.

26 (ii) In the first 6 months after the initial implementation date, the
27 Commission shall consider adjustments to the charges collected for the universal
28 service program for persons that are not eligible for customer choice.

1 (2) (I) The Commission shall determine a fair and equitable allocation
2 for collecting the charges among all customer classes pursuant to subsection (d) of
3 this section.

4 (II) IN DETERMINING A FAIR AND EQUITABLE ALLOCATION FOR
5 INDUSTRIAL AND COMMERCIAL CUSTOMERS UNDER THIS PARAGRAPH, THE
6 COMMISSION SHALL:

7 1. DETERMINE A UNIFORM STATEWIDE PERCENTAGE BASED
8 ON DISTRIBUTION SERVICE REVENUES IN THE STATE;

9 2. REQUIRE EACH ELECTRIC COMPANY TO ASSESS THE
10 UNIVERSAL SERVICE CHARGE TO EACH CUSTOMER USING A UNIFORM STATEWIDE
11 PERCENTAGE THAT IS APPLIED TO THE TOTAL OF DISTRIBUTION SERVICE CHARGES
12 PAID BY THE CUSTOMER TO THE ELECTRIC COMPANY, WITHOUT REGARD TO THE
13 NUMBER OF ACCOUNTS THAT THE CUSTOMER HAS WITH THE ELECTRIC COMPANY;
14 AND

15 3. PROHIBIT AN ELECTRIC COMPANY FROM ASSESSING THE
16 CHARGE TO A CUSTOMER BASED ON THE NUMBER OF ACCOUNTS THAT THE
17 CUSTOMER HAS WITH THE ELECTRIC COMPANY.

18 (3) Any unexpended universal service program funds returned to
19 customers under subsection (h) of this section shall be returned to customer classes in
20 the same proportions as they were collected.

21 (4) An electric company shall recover universal service program costs in
22 accordance with § 7-512 of this subtitle.

23 (5) [The Commission shall determine the allocation of the universal
24 service charge among the generation, transmission, and distribution rate components
25 of all classes.

26 (6)] The Commission may not assess the universal service surcharge on a
27 per kilowatt-hour basis.

28 (d) The total amount of funds to be collected for the universal service program
29 in each of the 3 years following the initial implementation date shall be \$34,000,000,
30 allocated in the following manner:

31 (1) \$24.4 million shall be collected from the industrial and commercial
32 classes; and

33 (2) \$9.6 million shall be collected from the residential class.

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency
35 measure, is necessary for the immediate preservation of the public health and safety,
36 has been passed by a ye and nay vote supported by three-fifths of all the members
37 elected to each of the two Houses of the General Assembly, and shall take effect from
38 the date it is enacted.

