
By: Delegates Klausmeier and D. Hughes

Introduced and read first time: February 14, 1996

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Utility Regulation - Public Service Companies - Use of Funds for Nonregulated Activities**

3 FOR the purpose of prohibiting a public service company from using funds collected
4 under certain rates for activities not regulated by the Public Service Commission;
5 requiring a refund and a penalty under certain circumstances; and generally relating
6 to public service companies and the use of funds collected under certain rates for
7 certain purposes.

8 BY adding to

9 Article 78 - Public Service Commission Law
10 Section 54E
11 Annotated Code of Maryland
12 (1995 Replacement Volume)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article 78 - Public Service Commission Law**

16 54E.

17 (A) A PUBLIC SERVICE COMPANY MAY NOT USE FUNDS COLLECTED UNDER
18 ITS RATES FOR ACTIVITIES NOT REGULATED BY THE COMMISSION.

19 (B) (1) IF THE COMMISSION FINDS THAT A PUBLIC SERVICE COMPANY HAS
20 VIOLATED SUBSECTION (A) OF THIS SECTION, THE COMMISSION SHALL ISSUE AN
21 ORDER REQUIRING A REFUND FROM THE COMPANY TO ITS RATEPAYERS.

22 (2) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, A REFUND
23 UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE AN AMOUNT EQUAL TO THE
24 AMOUNT OF THE FUNDS USED IN VIOLATION OF SUBSECTION (A) OF THIS SECTION.

25 (3) THE REFUND SHALL BE CALCULATED FROM THE LATER OF:

26 (I) OCTOBER 1, 1996; OR

27 (II) THE DATE OF THE LAST NOTICE TO THE COMMISSION UNDER §
28 27(C) OF THIS ARTICLE AFFECTING A RATE INVOLVED IN THE VIOLATION OF
29 SUBSECTION (A) OF THIS SECTION.

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1 (4) THE REFUND SHALL BE PAID TO RATEPAYERS IN A MANNER THE
2 COMMISSION DETERMINES.

3 (C) IN ADDITION TO THE REFUND UNDER SUBSECTION (B) OF THIS SECTION,
4 THE PUBLIC SERVICE COMPANY SHALL PAY TO THE COMMISSION A PENALTY IN AN
5 AMOUNT EQUAL TO THREE TIMES THE AMOUNT OF THE REFUND.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 October 1, 1996.