
By: Delegates Klausmeier, D. Hughes, Dypski, Gordon, and Ciliberti

Introduced and read first time: February 7, 1997

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Utility Regulation - Public Service Companies - Economic Fairness and Equal Access**

3 FOR the purpose of requiring certain public service companies that make available or sell
4 a resource to their nonregulated subsidiaries to make that resource available and
5 sell it to any other interested person; requiring that any resource that is sold or
6 made available by public service companies to their nonregulated subsidiaries or to
7 any other person be provided at its fair market value or a certain other amount;
8 defining a certain term; and generally relating to economic fairness and equal access
9 to certain resources of public service companies.

10 BY adding to

11 Article 78 - Public Service Commission Law
12 Section 54E
13 Annotated Code of Maryland
14 (1995 Replacement Volume and 1996 Supplement)

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

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

18 54E.

19 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
20 INDICATED.

21 (2) (I) "RESOURCE" MEANS ANY ASSET OR SERVICE THAT A PUBLIC
22 SERVICE COMPANY:

23 1. MAKES AVAILABLE TO OR SELLS TO ANY OF ITS
24 NONREGULATED SUBSIDIARIES; OR

25 2. SPECIFIES IN ITS COST ALLOCATION MANUAL.

26 (II) "RESOURCE" INCLUDES, BUT IS NOT LIMITED TO:

27 1. MAILING LISTS;

28 2. TELEPHONE REFERRALS/CUSTOMER REFERRALS;

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1 3. CUSTOMER FINANCING;

2 4. COOPERATIVE ADVERTISING;

3 5. MAILING PRIVILEGES;

4 6. COMPANY NAME; AND

5 7. COMPANY LOGO.

6 (B) THIS SECTION APPLIES TO A PUBLIC SERVICE COMPANY THAT:

7 (1) IS REGULATED BY THE COMMISSION;

8 (2) PROVIDES GAS OR ELECTRIC SERVICES; AND

9 (3) ENGAGES IN OR HAS SUBSIDIARIES THAT ENGAGE IN
10 NONREGULATED BUSINESS ACTIVITIES.

11 (C) IF A PUBLIC SERVICE COMPANY MAKES AVAILABLE OR SELLS TO ITS
12 NONREGULATED SUBSIDIARY A RESOURCE, THE PUBLIC SERVICE COMPANY SHALL:

13 (1) CHARGE THE NONREGULATED SUBSIDIARY THE HIGHER OF THE
14 FAIR MARKET VALUE OF THE RESOURCE OR THE DIRECT COST, PLUS OVERHEAD,
15 OF THE RESOURCE AS DETERMINED OR APPROVED BY THE COMMISSION; AND

16 (2) MAKE THE RESOURCE AVAILABLE TO ANY INTERESTED PERSON
17 FOR THE SAME PRICE.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 October 1, 1997.