

BY: Finance Committee

AMENDMENTS TO SENATE BILL NO. 300

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 6, strike “allowing” and substitute “requiring”; in line 7, strike “universal programs” and substitute “customer information”; in line 8, after “requirements;” insert “requiring the Commission, in consultation with the Maryland Energy Administration to report by a certain date on certain programs; requiring the Commission to issue certain orders or adopt certain regulations before the implementation of customer choice; prohibiting the disclosure of certain information; prohibiting certain actions by electricity suppliers; providing that this Act may not be construed as preventing the application of certain protections and laws; requiring the Commission, in consultation with the Department of Environment, to adopt certain measures regarding certain environmental programs; requiring the Commission to reduce certain rates for a certain time under certain circumstances; requiring the Commission to consult with the Consumer Protection Division of the Office of the Attorney General before issuing certain regulations; allowing municipal electric utilities to elect to make their service territory available for customer choice; requiring municipal electric utilities to file a certain plan and report by a certain date on a certain status; providing that certain persons may not engage in the business of competitive billing services in certain local jurisdictions unless the person holds a certain license; providing for certain licensure requirements; prohibiting the recovery of consumer education costs under certain circumstances; requiring the Commission to establish a certain universal service program; requiring all customers of electric companies in the State to contribute to the funding of a universal service program; requiring the Commission to report on a universal service program and make a certain recommendation; providing for certain funding of a universal service program; requiring certain actions by the General Assembly regarding certain funding of the universal service program; requiring the Commission to consider certain evidence in determining certain costs or benefits; requiring the Commission to cooperate with and share information with the Antitrust Division of the Office of the Attorney General; requiring certain electric companies to continue purchasing electricity under certain contracts under certain circumstances; prohibiting electricity suppliers and electric companies from terminating certain customers under certain circumstances; requiring the Commission, in consultation with the Maryland

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Energy Administration, to report by a certain date on the feasibility of requiring a certain renewable portfolio standard; altering the imposition of the environmental surcharge to certain customers; extending the termination date of a certain surcharge; authorizing the Governor to submit a certain budget amendment from the Revenue Stabilization Fund to be used for certain education purposes; requiring the Commission to use certain funds during a certain period to implement a certain program; requiring the Commission to report by a certain date on a certain recommended consumer education funding level for a certain time;”; and in line 12, strike “allowing” and substitute “requiring”.

On page 2, in line 1, after “terms;” insert “providing that provisions of this Act are severable;”.

AMENDMENT NO. 2

On page 2, in line 5, strike “and 7-207” and substitute “7-203, 7-207, and 7-211”; strike in their entirety lines 14 through 18, inclusive; and after line 33, insert:

“BY repealing and reenacting, with amendments,

Article - Natural Resources

Section 3-302

Annotated Code of Maryland

(1997 Replacement Volume and 1998 Supplement)”.

AMENDMENT NO. 3

On page 4, in line 29, strike “PRIMARILY”; and in the same line, after “A” insert “PRIMARILY”.

On page 6, in lines 3, 10, 11, 14, 17, 20, 24, 28, and 34, strike “(P)”, “(Q)”, “(R)”, “(S)”, “(T)”, “(U)”, “(V)”, “(W)”, and “(X)”, respectively, and substitute “(Q)”, “(R)”, “(S)”, “(T)”, “(U)”, “(V)”, “(W)”, “(X)”, and “(Y)”, respectively; and in line 9, strike “BY” and substitute “FOR”.

On page 7, in lines 3, 15, 26, and 28, strike “(Y)”, “(Z)”, “(AA)”, and “(BB)”, respectively, and substitute “(Z)”, “(AA)”, “(BB)”, and “(CC)”, respectively.

On page 8, in lines 1, 5, 7, 11, 19, 23, and 26, strike “(CC)”, “(DD)”, “(EE)”, “(FF)”, “(GG)”,

“(HH)”, and “(II)”, respectively, and substitute “(DD)”, “(EE)”, “(FF)”, “(GG)”, “(HH)”, “(II)”, and “(JJ)”, respectively.

On page 9, in lines 1, 4, 6, 15, and 17, strike “(JJ)”, “(KK)”, “(LL)”, “(MM)”, and “(NN)”, respectively, and substitute “(KK)”, “(LL)”, “(MM)”, “(NN)”, and “(OO)”, respectively.

On page 15, in line 5, after “(K)” insert “(1)”; in the same line, after “MEANS” insert “A PROGRAM IMPLEMENTED WITH THE INTENTION OF FURTHERING A PUBLIC PURPOSE.”

(2) “PUBLIC PURPOSE PROGRAM” INCLUDES;

in lines 6 and 7, strike “(1)” and “(2)”, respectively, and substitute “(I)” and “(II)”, respectively; strike beginning with “OR” in line 7 down through “PURPOSE” in line 9 and substitute:

“(III) A DEMAND SIDE MANAGEMENT OR OTHER ENERGY EFFICIENCY OR CONSERVATION PROGRAM; AND

(IV) A CONSUMER EDUCATION PROGRAM”.

On page 16, in lines 25, 27, and 34, strike “(2)”, “(3)”, and “(4)”, respectively, and substitute “(3)”, “(4)”, and “(5)(I)”, respectively.

On page 17, in lines 3, 7, and 9, strike “(5)”, “(6)”, and “(7)”, respectively, and substitute “(6)”, “(9)”, and “(10)”, respectively.

On page 22, in line 3, strike “(D)” and substitute “(3)”; in line 4, strike “SECTION” and substitute “SUBSECTION”; and in line 30, strike “(A)(2)” and substitute “(A)(1)”.

On page 23, in line 19, after “MUNICIPAL” insert “ELECTRIC”; and in line 29, strike the first “ELECTRIC” and substitute “ELECTRICITY”.

On page 24, in line 6, after “MUNICIPAL” insert “ELECTRIC”; in line 21, after

“MUNICIPAL” insert “ELECTRIC”; and in line 34, after “MUNICIPAL” insert “ELECTRIC”.

On page 25, in line 13, strike “OF THE FOLLOWING”; in line 14, after “INCURRED” insert “BY THE ELECTRIC COMPANY”; in the same line, after “UNDER” insert “PUBLIC PURPOSE”; in the same line, strike “OR OTHER PLANS”; strike beginning with the colon in line 15 down through “SUBTITLE” in line 21; in line 22, after “(2)” insert “(I) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION,”; in line 25, strike “(I)” and substitute “1.”; and in line 27, strike “(II)” and substitute “2. SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,”.

On page 29, in line 1, strike “3” and substitute “7”; in line 7, strike “4” and substitute “8”; in line 11, strike “5” and substitute “9”; and in the same line, strike “Sections 1, 3, and 4 of” and substitute “, except as provided in Sections 4 and 8 of this Act,”.

AMENDMENT NO. 4

On page 16 in lines 21, 25, 27, and 34 and on page 19 in lines 14 and 29, in each instance, strike “MAY” and substitute “SHALL”.

On page 16, in line 21, after “(1)” insert “THE COMMISSION SHALL ISSUE THE ORDERS OR ADOPT THE REGULATIONS REQUIRED UNDER THIS SUBSECTION BEFORE THE IMPLEMENTATION OF CUSTOMER CHOICE.”

(2) (I)”.

On page 17, in line 13, strike “(8)” and substitute “(11) (I)”; in line 16, strike “IN DOING SO” and substitute:

“(II) ON OR BEFORE JULY 1, 2000”;

strike beginning with “CONSIDER” in line 16 down through “SAFEGUARDS” in line 17 and substitute “REQUIRE”; in lines 18 and 21, strike “(I)” and “(II)”, respectively, and substitute “1.” and “2.”, respectively; in line 23, after “BASIS;” insert:

“3. APPROPRIATE COMPLAINT AND ENFORCEMENT”

PROCEDURES; AND

4. ANY OTHER SAFEGUARDS DEEMED NECESSARY BY THE COMMISSION TO ENSURE THE CREATION AND MAINTENANCE OF A COMPETITIVE ELECTRICITY SUPPLY AND ELECTRICITY SUPPLY SERVICES MARKET.”;

in line 24, after “(III)” insert “ON OR BEFORE JULY 1, 2000, THE COMMISSION SHALL CONSIDER, AMONG OTHER FACTORS,”; in line 30, strike “IN ADDITION,” and substitute “(II)”; in line 31, after “CONDUCT” insert “TO BE APPROVED BY THE COMMISSION BY A DATE TO BE DETERMINED BY THE COMMISSION”; and strike beginning with “HOWEVER” in line 33 down through “AFFILIATE.” in line 36.

AMENDMENT NO. 5

On page 23, in line 23, after “2000” insert “BY UP TO 3 MONTHS”.

AMENDMENT NO. 6

On page 3, in line 4, strike “OR” and substitute “, INCLUDING A COUNTY OR MUNICIPAL CORPORATION, OR AN”; in line 6, after “INCLUDE” insert “: (I)”; and in line 8, after “AFFILIATES” insert “; OR

(II) A MUNICIPAL ELECTRIC UTILITY SERVING ONLY IN ITS DISTRIBUTION TERRITORY”.

AMENDMENT NO. 7

On page 15, in line 25, strike the comma and substitute a semicolon; in the same line, after “OR” insert “(2)”; in the same line, strike “WHICH”; and strike beginning with “; AND” in line 26 down through “CHOICE” in line 27.

On page 26, in lines 2 and 3, strike “AS PART OF THE CHARGE PAID BY EACH CUSTOMER” and substitute “FOR CUSTOMERS”; in line 3, strike “ACCESSES” and substitute “ACCESS”; in line 16, strike “BE PAID FOR” and substitute “APPLY TO”.

On page 27, after line 27, insert:

“(E) (1) IN DETERMINING THE APPROPRIATE TRANSITION COSTS OR BENEFITS FOR EACH ELECTRIC COMPANY’S GENERATION-RELATED ASSETS, THE COMMISSION SHALL CONSIDER, IN ADDITION TO OTHER APPROPRIATE EVIDENCE OF VALUE:

(I) BOOK VALUE AND FAIR MARKET VALUE;

(II) AUCTIONS AND SALES OF COMPARABLE ASSETS;

(III) APPRAISALS;

(IV) THE REVENUE THE COMPANY WOULD RECEIVE UNDER RATE-OF-RETURN REGULATION;

(V) THE REVENUE THE COMPANY WOULD RECEIVE IN A RESTRUCTURED ELECTRICITY SUPPLY MARKET; AND

(VI) COMPUTER SIMULATIONS.

(2) THE COMMISSION SHALL DETERMINE WHETHER AND TO WHAT EXTENT THERE SHALL BE ANY ALLOCATION OF TRANSITION COSTS OR BENEFITS BETWEEN SHAREHOLDERS AND RATEPAYERS IN ACCORDANCE WITH ANY FEDERAL AND STATE LAW.”.

AMENDMENT NO. 8

On page 27, in line 20, strike “TO PREVENT” and substitute “AS PREVENTING”; in line 24, strike “INCLUDES” and substitute “TAKES INTO ACCOUNT”; in line 26, strike “OR”; and in line 27, after “(II)” insert “AN ADJUSTMENT THAT TAKES INTO ACCOUNT GENERATION ASSET SALES BY AN ELECTRIC COMPANY OR AN AFFILIATE TO A NONAFFILIATE THAT ARE CONSUMMATED ON OR BEFORE JUNE 30, 2005; OR

(III)”.

AMENDMENT NO. 9

On page 18, in lines 16 and 24, in each instance, strike “FREEZE OR”; in line 23, after “(2)” insert “(I) THE CAP REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION DOES NOT APPLY TO THE RECOVERY OF COSTS ADDED AFTER JANUARY 1, 2000, IN ACCORDANCE WITH § 7-512(C) OF THIS SUBTITLE.”

(II) THE CAP REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION APPLIES TO THE RECOVERY OF:

1. ANY TRANSITION COSTS UNDER § 7-513 OF THIS SUBTITLE; AND

2. ANY COSTS INCLUDED IN RATES ON JANUARY 1, 2000, IN ACCORDANCE WITH § 7-512(C) OF THIS SUBTITLE.

(3)”;

in line 24, strike “LONGER” and substitute “DIFFERENT”; and in the same line, after “PERIOD” insert “OR AN ALTERNATIVE PRICE PROTECTION PLAN THAT THE COMMISSION DETERMINES IS EQUALLY PROTECTIVE OF RATEPAYERS”.

On page 25, in line 29, after “CAP” insert “.”

(II) THE RECOVERY BY AN ELECTRIC COMPANY OF COSTS FOR A UNIVERSAL SERVICE PROGRAM IS SUBJECT TO ANY APPLICABLE CAP REGARDLESS OF WHEN THE COSTS ARE INCLUDED IN RATES.

(3) DURING THE FISCAL YEAR ENDING JUNE 30, 2000, AN ELECTRIC COMPANY MAY NOT, UNDER PARAGRAPH (2) OF THIS SUBSECTION, RECOVER COSTS OF A CONSUMER EDUCATION PROGRAM ESTABLISHED BY LAW, REGULATION, OR ORDER”;

and strike beginning with “RATE” in line 28 down through “OR” in line 29.

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AMENDMENT NO. 10

On page 18, after line 24, insert:

“(4) (I) 1. SUBJECT TO THE PROVISIONS OF PARAGRAPH (5) OF THIS SUBSECTION, THE COMMISSION SHALL REDUCE RESIDENTIAL RATES FOR EACH INVESTOR-OWNED ELECTRIC COMPANY BY A MINIMUM OF 3% OF THE GENERATION PORTION OF RATES, AS MEASURED ON JUNE 30, 1999.

2. THE REDUCTION REQUIRED UNDER SUB-SUBPARAGRAPH 1 OF THIS SUBPARAGRAPH SHALL BEGIN ON THE INITIAL IMPLEMENTATION DATE AND REMAIN IN EFFECT FOR 4 YEARS.

3. THE COMMISSION SHALL DETERMINE THE ALLOCATION OF THE RATE REDUCTION AMONG THE GENERATION, TRANSMISSION, AND DISTRIBUTION RESIDENTIAL RATE COMPONENTS.

(II) IN ACHIEVING THE RATE REDUCTION REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE COMMISSION SHALL CONSIDER;

1. THE EXPIRATION OF ANY SURCHARGE;
2. CHANGES IN THE ELECTRIC COMPANY’S TAX LIABILITY;
3. COST OF SERVICE DETERMINATIONS ORDERED BY THE COMMISSION;
4. NET TRANSITION COSTS OR BENEFITS; AND
5. THE EFFECT ON THE COMPETITIVE ELECTRICITY SUPPLY MARKET.

(III) THE COMMISSION MAY INCREASE OR DECREASE THE ACTUAL RATE REDUCTION REQUIRED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH

OR ALLOW THE RECOVERY OF ANY EXTRAORDINARY COSTS BASED ON THE CIRCUMSTANCES OF AN INDIVIDUAL ELECTRIC COMPANY IF THE COMMISSION DETERMINES THAT THE ACTION IS NECESSARY AND IN THE PUBLIC INTEREST.

(IV) IN DETERMINING THE RATE REDUCTION REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE COMMISSION MAY NOT INCREASE RATES FOR NONRESIDENTIAL CUSTOMERS.

(5) THE REQUIREMENTS OF PARAGRAPH (4) OF THIS SUBSECTION DO NOT APPLY TO AN ELECTRIC COMPANY IF THE COMMISSION APPROVES OR HAS IN EFFECT A SETTLEMENT THAT THE COMMISSION DETERMINES IS EQUALLY PROTECTIVE OF RATEPAYERS.”.

AMENDMENT NO. 11

On page 16, in line 10, strike “AND”; in line 12, after “ELECTRICITY” insert “;

(4) PROVIDE ECONOMIC BENEFITS FOR ALL CUSTOMER CLASSES;
AND

(5) ENSURE THAT FEDERAL AND STATE ENVIRONMENTAL STANDARDS ARE NOT COMPROMISED”.

AMENDMENT NO. 12

On page 17, strike beginning with “; AND” in line 26 down through “PROCEDURES” in line 27; and after line 27, insert:

“(12) NOTHING IN THIS TITLE MAY BE CONSTRUED AS PREVENTING THE APPLICATION OF STATE AND FEDERAL CONSUMER PROTECTION AND ANTITRUST LAWS TO ELECTRIC COMPANIES AND THEIR AFFILIATES, AND TO ELECTRICITY SUPPLIERS.”.

On page 22, strike beginning with “EXCEPT” in line 22 down through “MEGAWATTS” in line 23 and substitute “(1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION”; in lines 25

and 28, strike “(1)” and “(2)”, respectively, and substitute “(I)” and “(II)”, respectively; and after line 29, insert:

“(2) (I) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (1) OF THIS SUBSECTION, THIS SECTION APPLIES TO AN INVESTOR-OWNED ELECTRIC COMPANY THAT DOES NOT TRANSFER ITS GENERATION FACILITIES AND GENERATION ASSETS TO AN AFFILIATE OR SELL ITS GENERATION FACILITIES AND GENERATION ASSETS TO A NONAFFILIATE IF, ON JANUARY 1, 1999, THE RETAIL PEAK LOAD OF THE INVESTOR-OWNED ELECTRIC COMPANY IN THE STATE WAS LESS THAN 1,000 MEGAWATTS.

(II) AN INVESTOR-OWNED ELECTRIC COMPANY TO WHICH THIS SECTION APPLIES THROUGH SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL, BY JANUARY 1, 2001:

1. TRANSFER ITS GENERATION FACILITIES AND GENERATION ASSETS TO AN AFFILIATE OF THE INVESTOR-OWNED ELECTRIC COMPANY THAT OPERATES THE FACILITIES AND ASSETS; OR

2. SELL THE GENERATION FACILITIES AND GENERATION ASSETS TO A NONAFFILIATE.”;

and in line 20, strike “WHICH” and substitute “THAT, AS PART OF A SETTLEMENT APPROVED BY THE COMMISSION,”.

AMENDMENT NO. 13

On page 10, in line 10, after “SERVICES” insert “AND FOR STANDARD OFFER SERVICE AS PROVIDED IN § 7-505(B)(9) OF THIS ARTICLE”.

On page 17, in line 8, strike “UNDER” and substitute “IN ACCORDANCE WITH:

(I)”;

in the same line, after “ARTICLE” insert “; OR

(II) AS APPLICABLE, § 7-510(C)(3)(II) OF THIS SUBTITLE”;

and strike beginning with “, BY” in line 13 down through “ORDER,” in line 14 and substitute “ISSUE ORDERS OR ADOPT REGULATIONS REASONABLY DESIGNED TO”.

On page 19, after line 3, insert:

“(E) THE ELECTRIC COMPANY SHALL PROVIDE STANDARD OFFER SERVICE UNDER § 7-510(C) OF THIS SUBTITLE.”.

On page 22, in line 34, strike “AND”.

On page 23, in line 3, after “SUBTITLE” insert “; OR

(3) IF, UNDER § 7-510(C)(3)(II) OF THIS SUBTITLE, THE COMMISSION EXTENDS THE OBLIGATION TO PROVIDE STANDARD OFFER SERVICE, THE DATE ON WHICH THE COMMISSION TERMINATES THAT OBLIGATION”.

On page 24, in line 2, strike “OR”; and in line 3, after “SUPPLIER” insert “;

(V) CHOOSES THE STANDARD OFFER SERVICE; OR

(VI) HAS BEEN DENIED SERVICE OR REFERRED TO THE STANDARD OFFER SERVICE BY AN ELECTRICITY SUPPLIER IN ACCORDANCE WITH § 7-507(E)(6) OF THIS SUBTITLE”.

On page 24, in line 11, after “(II)” insert “1.”; strike beginning with “UNTIL” in line 14 down through “SUBTITLE” in line 15 and substitute “AT A MARKET PRICE THAT PERMITS RECOVERY OF THE VERIFIABLE PRUDENTLY INCURRED COSTS TO PROCURE OR PRODUCE THE ELECTRICITY PLUS A REASONABLE RETURN.

2. THE COMMISSION SHALL REEXAMINE THE FINDING

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MADE UNDER THIS SUBPARAGRAPH AT LEAST ANNUALLY”;

in line 12, after “COMPETITIVE” insert “OR THAT NO ACCEPTABLE COMPETITIVE PROPOSAL HAS BEEN RECEIVED TO SUPPLY ELECTRICITY TO THOSE CUSTOMERS DESCRIBED UNDER PARAGRAPH (2) OF THIS SUBSECTION””; and in line 20, after “COMPANIES” insert “UNDER PARAGRAPH (2) OF THIS SUBSECTION”.

AMENDMENT NO. 14

On page 19, in line 13, after “REQUIRES” insert “, INCLUDING:

(I) PROOF OF TECHNICAL AND MANAGERIAL COMPETENCE;

(II) PROOF OF COMPLIANCE WITH ALL APPLICABLE REQUIREMENTS OF THE FEDERAL ENERGY REGULATORY COMMISSION, AND ANY INDEPENDENT SYSTEM OPERATOR OR REGIONAL OR SYSTEM TRANSMISSION OPERATOR TO BE USED BY THE LICENSEE;

(III) A CERTIFICATION OF COMPLIANCE WITH APPLICABLE FEDERAL AND STATE ENVIRONMENTAL LAWS AND REGULATIONS THAT RELATE TO THE GENERATION OF ELECTRICITY; AND

(IV) PAYMENT OF THE APPLICABLE LICENSING FEE”.

On page 19, in line 21, strike “HAS REGISTERED” and substitute “IS QUALIFIED”; and in line 31, strike the second “AND”.

On page 20, in line 2, after “SUPPLIER” insert “;

(3) ESTABLISH REASONABLE RESTRICTIONS ON TELEMARKETING;

(4) ESTABLISH PROCEDURES FOR CONTRACTING WITH CUSTOMERS;

(5) ESTABLISH REQUIREMENTS AND LIMITATIONS RELATING TO DEPOSITS, BILLING, COLLECTIONS, AND CONTRACT CANCELLATIONS;

(6) ESTABLISH PROVISIONS PROVIDING FOR THE REFERRAL OF A DELINQUENT ACCOUNT BY AN ELECTRICITY SUPPLIER TO THE STANDARD OFFER SERVICE UNDER § 7-510(C) OF THIS SUBTITLE; AND

(7) ESTABLISH PROCEDURES FOR DISPUTE RESOLUTION”.

AMENDMENT NO. 15

On page 15, in line 30, after “CUSTOMER” insert “BILL”; and in the same line, after “ASSISTANCE” insert “AND PAYMENT”.

On page 16, in lines 25 and 26, strike “TO BE MADE AVAILABLE IN EACH ELECTRIC COMPANY’S DISTRIBUTION TERRITORY” and substitute “, ON A STATEWIDE BASIS, TO BENEFIT LOW-INCOME CUSTOMERS, IN ACCORDANCE WITH § 7-512.1 OF THIS SUBTITLE”.

On page 17, in line 6, after “FOR” insert “CUSTOMER”; and in the same line, after “BILLING” insert “AND PAYMENT”.

On page 25, strike beginning with “IN” in line 22 down through “TERRITORY” in line 23; in line 24, after “MECHANISM” insert “COLLECTED ON A STATEWIDE BASIS”; and in lines 25 and 26, in each instance, strike “IN THE TERRITORY”.

On page 25, after line 29, insert:

“7-512.1.

(A) (1) THE COMMISSION SHALL ESTABLISH A UNIVERSAL SERVICE PROGRAM TO ASSIST ELECTRIC CUSTOMERS WITH ANNUAL INCOMES AT OR BELOW 150% OF THE FEDERAL POVERTY LEVEL.

(2) THE COMMISSION, WITH INPUT FROM A PANEL OR ROUNDTABLE OF INTERESTED PARTIES, SHALL CONTRACT WITH A FOR-PROFIT OR NONPROFIT MARYLAND CORPORATION EXISTING AS OF JULY 1, 1999 TO ADMINISTER THE

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UNIVERSAL SERVICE PROGRAM.

(3) THE COMMISSION SHALL HAVE OVERSIGHT RESPONSIBILITY FOR THE UNIVERSAL SERVICE PROGRAM.

(4) THE COMPONENTS OF THE UNIVERSAL SERVICE PROGRAM SHALL INCLUDE:

(I) BILL ASSISTANCE, AT A MINIMUM OF 50% OF THE DETERMINED NEED;

(II) LOW-INCOME WEATHERIZATION; AND

(III) THE RETIREMENT OF ARREARAGES THAT WERE INCURRED PRIOR TO THE INITIAL IMPLEMENTATION DATE.

(B) (1) ALL CUSTOMERS WILL CONTRIBUTE TO THE FUNDING OF THE UNIVERSAL SERVICE PROGRAM THROUGH A CHARGE COLLECTED BY EACH ELECTRIC COMPANY.

(2) THE COMMISSION SHALL DETERMINE A FAIR AND EQUITABLE ALLOCATION FOR COLLECTING THE CHARGES AMONG ALL CUSTOMER CLASSES.

(3) AN ELECTRIC COMPANY SHALL RECOVER UNIVERSAL SERVICE PROGRAM COSTS IN ACCORDANCE WITH § 7-512 OF THIS SUBTITLE.

(C) ON OR BEFORE DECEMBER 1, 1999, AND ON AN ANNUAL BASIS THEREAFTER, THE COMMISSION SHALL REPORT, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY ON THE UNIVERSAL SERVICE PROGRAM, INCLUDING:

(1) SUBJECT TO SUBSECTIONS (D) AND (E) OF THIS SECTION, A RECOMMENDATION ON THE TOTAL AMOUNT OF FUNDS FOR THE PROGRAM FOR THE FOLLOWING FISCAL YEAR;

(2) FOR BILL ASSISTANCE:

(I) THE TOTAL AMOUNT OF NEED, AS DETERMINED BY THE COMMISSION, FOR ELECTRIC CUSTOMERS WITH ANNUAL INCOMES AT OR BELOW 150% OF THE FEDERAL POVERTY LEVEL AND THE BASIS FOR THIS DETERMINATION; AND

(II) THE PERCENTAGE OF NEED, AS DETERMINED BY THE COMMISSION, BUT AT A MINIMUM OF 50%, THAT SHOULD BE FUNDED THROUGH THE UNIVERSAL SERVICE PROGRAM AND THE BASIS OF THIS DETERMINATION;

(3) FOR LOW-INCOME WEATHERIZATION, THE AMOUNT OF FUNDS NEEDED, AS DETERMINED BY THE COMMISSION, FOR MEASURES THAT REDUCE CONSUMPTION OF ENERGY BY ELECTRIC CUSTOMERS WITH ANNUAL INCOMES AT OR BELOW 150% OF THE FEDERAL POVERTY LEVEL AND THE BASIS FOR THIS DETERMINATION;

(4) THE AMOUNT OF FUNDS NEEDED, AS DETERMINED BY THE COMMISSION, TO RETIRE ARREARAGES THAT WERE INCURRED PRIOR TO THE INITIAL IMPLEMENTATION DATE BY ELECTRIC CUSTOMERS WITH ANNUAL INCOMES AT OR BELOW 150% OF THE FEDERAL POVERTY LEVEL AND THE BASIS FOR THIS DETERMINATION;

(5) THE IMPACT ON CUSTOMERS' RATES, INCLUDING THE ALLOCATION AMONG CUSTOMER CLASSES, FROM COLLECTING THE TOTAL AMOUNT RECOMMENDED BY THE COMMISSION UNDER ITEM (1) OF THIS SUBSECTION; AND

(6) THE IMPACT OF USING OTHER FEDERAL POVERTY LEVEL BENCHMARKS ON COSTS AND THE EFFECTIVENESS OF THE UNIVERSAL SERVICE PROGRAM.

(D) THE TOTAL AMOUNT OF FUNDS TO BE USED FOR THE UNIVERSAL

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SERVICE PROGRAM IN EACH OF THE 3 YEARS FOLLOWING THE INITIAL IMPLEMENTATION DATE SHALL BE AS FOLLOWS:

- (1) \$34,000,000 FOR THE FIRST YEAR;
- (2) \$36,000,000 FOR THE SECOND YEAR; AND
- (3) \$38,000,000 FOR THE THIRD YEAR.

(E) (1) THE COMMISSION SHALL RECOMMEND A TOTAL AMOUNT OF FUNDS TO BE USED FOR THE UNIVERSAL SERVICE PROGRAM FOR THE FOURTH YEAR, AND EACH YEAR THEREAFTER.

(2) THE RECOMMENDATION OF THE COMMISSION MAY ONLY BE MADE AFTER CONSIDERATION OF:

(I) INFORMATION RELATED TO THE FUNDING FOR THE FIRST 3 YEARS;

(II) THE RETIREMENT, DURING THE FIRST 3 YEARS, OF ARREARAGES INCURRED PRIOR TO THE INITIAL IMPLEMENTATION DATE; AND

(III) THE AMOUNT OF LOW-INCOME ASSISTANCE INCLUDED IN RATES PRIOR TO THE INITIAL IMPLEMENTATION DATE.

(F) FOR THE FOURTH YEAR AFTER THE INITIAL IMPLEMENTATION DATE, AND FOR EACH YEAR THEREAFTER, THE AMOUNT TO BE USED FOR THE UNIVERSAL SERVICE PROGRAM, DETERMINED AFTER CONSIDERATION OF THE RECOMMENDATION OF THE COMMISSION REQUIRED UNDER THIS SECTION, IS SUBJECT TO THE APPROVAL OF THE GENERAL ASSEMBLY THROUGH THE ENACTMENT OF LEGISLATION.

(G) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, FOR THE 3 YEARS IMMEDIATELY FOLLOWING THE INITIAL IMPLEMENTATION DATE,

ELECTRICITY SUPPLIERS AND ELECTRIC COMPANIES MAY NOT TERMINATE, FOR AN ARREARAGE BALANCE DUE ON THE INITIAL IMPLEMENTATION DATE, THE SUPPLY OF ELECTRICITY TO A CUSTOMER WHO RECEIVES ASSISTANCE UNDER THE UNIVERSAL SERVICE PROGRAM UNDER § 7-512.1 OF THIS SUBTITLE.”.

AMENDMENT NO. 16

On page 17, in line 3, before the first “THE” insert “(I)”; and in line 5, strike “THAT” and substitute “DETERMINED BY”; in the same line, strike “DETERMINES.” and substitute “;

(II)”.

On page 17, after line 6, insert:

“(7) AN ELECTRIC COMPANY OR AN ELECTRICITY SUPPLIER MAY NOT DISCLOSE BILLING, PAYMENT, CREDIT, AND USAGE INFORMATION WITHOUT THE PERMISSION OF THE CUSTOMER.

(8) AN ELECTRICITY SUPPLIER MAY NOT ENGAGE IN MARKETING, ADVERTISING, OR TRADE PRACTICES THAT ARE UNFAIR, FALSE, MISLEADING, OR DECEPTIVE.”.

On page 20, in line 6, after “CUSTOMER” insert “OR ADD A NEW CHARGE FOR A NEW OR EXISTING SERVICE OR OPTION”; in line 9, strike “UNAUTHORIZED SWITCHING” and substitute “THE PRACTICES PROHIBITED UNDER PARAGRAPH (1) OF THIS SUBSECTION”; in line 11, after “PENALTY” insert “OR OTHER REMEDY, ORDER A REFUND OR CREDIT TO A CUSTOMER”; in line 27, strike “AND”; in line 28, after “PAY” insert “, COLLECT, REMIT, OR CALCULATE ACCURATELY”; in the same line, after “TAXES” insert “;

(VIII) VIOLATING A PROVISION OF THE PUBLIC UTILITY COMPANIES ARTICLE OR APPLICABLE CONSUMER PROTECTION LAW OF THE STATE;

(IX) CONVICTION OF A FELONY BY THE LICENSEE OR

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PRINCIPAL OF THE LICENSEE OR ANY CRIME INVOLVING FRAUD, THEFT, OR DECEIT;
AND

(X) SUSPENSION OF REVOCATION OF A LICENSE BY ANY STATE
OR FEDERAL AUTHORITY”;

and in line 31, strike “\$2,500” and substitute “\$10,000”.

On page 21, after line 16, insert:

“(L) THE COMMISSION SHALL CONSULT WITH THE CONSUMER PROTECTION
DIVISION OF THE OFFICE OF THE ATTORNEY GENERAL BEFORE ISSUING
REGULATIONS DESIGNED TO PROTECT CONSUMERS.

(M) THE PEOPLE’S COUNSEL SHALL HAVE THE SAME AUTHORITY IN
LICENSING, COMPLAINT, AND DISPUTE RESOLUTION PROCEEDINGS AS IT HAS IN
TITLE 2 OF THIS ARTICLE.

(N) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO AFFECT THE
AUTHORITY OF THE DIVISION OF CONSUMER PROTECTION IN THE OFFICE OF THE
ATTORNEY GENERAL TO ENFORCE VIOLATIONS OF TITLES 13 AND 14 OF THE
COMMERCIAL LAW ARTICLE OR ANY OTHER APPLICABLE STATE LAW OR
REGULATION IN CONNECTION WITH THE ACTIVITIES OF RETAIL ELECTRIC SERVICE
SUPPLIERS.”;

and in line 20, after “ASSET” insert “TO AN AFFILIATE”.

On page 27, in lines 33, 35, 37, and 42, in each instance, after “POWER” insert “OR ANY
OTHER ANTICOMPETITIVE CONDUCT”; and after line 42, insert:

“(C) THE COMMISSION SHALL INCLUDE ANTITRUST PRINCIPLES IN
PERFORMING ITS ANALYSIS UNDER THIS SECTION.

(D) THE COMMISSION SHALL COOPERATE WITH AND SHARE INFORMATION

WITH THE ANTITRUST DIVISION OF THE OFFICE OF THE ATTORNEY GENERAL.

(E) THE RIGHTS AND REMEDIES PROVIDED IN THIS SECTION SUPPLEMENT ANY OTHER RIGHTS OR REMEDIES THAT MAY EXIST UNDER STATE OR FEDERAL LAW OR COMMON LAW.”.

AMENDMENT NO. 17

On page 16, after line 24, insert:

“(II) ANY BOARD OR GROUP CREATED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL INCLUDE AT LEAST 2 MEMBERS OF THE PUBLIC.

(III) THIS PARAGRAPH SHALL BE OF NO FORCE AND EFFECT AFTER JUNE 30, 2002.”.

AMENDMENT NO. 18

On page 17, in line 1, strike “CUSTOMER”; in the same line, after “INFORMATION” insert “TO EACH CUSTOMER”; in line 2, after “SUPPLIER” insert “, INCLUDING DISCLOSURE ON AN ANNUAL BASIS OF A UNIFORM COMMON SET OF INFORMATION ABOUT:

1. THE FUEL MIX OF THE ELECTRICITY PURCHASED BY CUSTOMERS, INCLUDING CATEGORIES OF ELECTRICITY FROM RENEWABLE ENERGY RESOURCES, COAL, NATURAL GAS, NUCLEAR, OIL, HYDROELECTRIC, SOLAR, BIOMASS, WIND, AND OTHER RESOURCES, OR DISCLOSURE OF A REGIONAL FUEL MIX AVERAGE; AND

2. THE EMISSIONS, ON A POUND PER MEGAWATT-HOUR BASIS, OF POLLUTANTS IDENTIFIED BY THE COMMISSION, OR DISCLOSURE OF A REGIONAL FUEL MIX AVERAGE.

(II) THE COMMISSION MAY REQUIRE AN ELECTRIC COMPANY OR AN ELECTRICITY SUPPLIER TO PROVIDE DOCUMENTATION SUPPORTING THE DISCLOSURES REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH”;

(Over)

and in line 4, after “INTO” insert “STANDARDIZED”.

On page 19, in line 32, after “PROVIDE” insert “, IN ADDITION TO THE REQUIREMENTS UNDER § 7-505(B)(5) OF THIS SUBTITLE,”.

On page 20, in line 3, after “BILLS” insert “, FOR COMPETITIVE AND REGULATED ELECTRIC SERVICES,”; in line 3, strike “MUST BE” and substitute “SHALL:”

(1) BE”;

and in line 4, after “COMMISSION” insert “; AND”

(2) PROVIDE, IN ADDITION TO THE REQUIREMENTS OF § 7-505(B)(5) OF THIS SUBTITLE AND SUBSECTION (E)(2) OF THIS SECTION, THE FOLLOWING INFORMATION:

(I) THE IDENTITY AND PHONE NUMBER OF THE ELECTRIC SUPPLIER OF THE SERVICE;

(II) SUFFICIENT INFORMATION TO EVALUATE PRICES AND SERVICES; AND

(III) INFORMATION IDENTIFYING WHETHER THE PRICE IS REGULATED OR COMPETITIVE”.

AMENDMENT NO. 19

On page 12, in lines 28, 29, 30, 31, 32, and 34, strike all of the brackets; and in lines 30, 31, 32, and 34, respectively, strike “(II)”, “(III)”, “(IV)”, and “(V)”, respectively.

On page 13, in line 1, strike the brackets; in the same line, strike “(VI)”; strike beginning with “FOLLOWING” in line 7 down through “THE” in line 8; and strike beginning with “; AND” in line 9 down through “SYSTEM” in line 11.

AMENDMENT NO. 20

On page 6, after line 2, insert:

“(P) ‘MUNICIPAL ELECTRIC UTILITY’ MEANS A MUNICIPAL CORPORATION, OR A DIVISION OF A MUNICIPAL CORPORATION, THAT IS IN THE BUSINESS OF TRANSMITTING OR DISTRIBUTING ELECTRICITY FOR PURPOSES OTHER THAN END USE BY THE MUNICIPAL CORPORATION.”.

On page 14, in line 18, after “JULY 1, 1999” insert “, SUBJECT TO MODIFICATION AS SPECIFIED IN § 7-210 OF THIS TITLE”; and in line 22, after “MUNICIPAL” insert “ELECTRIC”.

On page 16, in line 14, after “(A)” insert “(1)”; in line 20, after “INVESTORS” insert “, CUSTOMERS OF MUNICIPAL ELECTRIC UTILITIES”; and after line 20, insert:

“(2) THE COMMISSION SHALL CONSIDER THE RESTRUCTURING PLANS OF MUNICIPAL ELECTRIC UTILITIES, AS SPECIFIED UNDER § 7-510 OF THIS SUBTITLE.”.

On page 19, in line 6, after “SUBTITLE” insert “OR A MUNICIPAL ELECTRIC UTILITY SERVING CUSTOMERS SOLELY IN ITS DISTRIBUTION TERRITORY”.

On page 23, in line 18, after “(2)” insert “(I) IN ACCORDANCE WITH THIS PARAGRAPH,”; in the same line, strike “DEVELOP” and substitute “ADOPT”; and in line 19, after “UTILITIES” insert “FOR THE IMPLEMENTATION OF CUSTOMER CHOICE.”

(II) A MUNICIPAL ELECTRIC UTILITY MAY NOT BE REQUIRED TO MAKE ITS SERVICE TERRITORY AVAILABLE FOR CUSTOMER CHOICE UNLESS IT ELECTS TO DO SO.

(III) IF A MUNICIPAL ELECTRIC UTILITY ELECTS TO ALLOW CUSTOMER CHOICE, THE MUNICIPAL ELECTRIC UTILITY SHALL FILE A PROPOSED PLAN AND SCHEDULE WITH THE COMMISSION.

(IV) THE COMMISSION MAY APPROVE EACH MUNICIPAL

(Over)

ELECTRIC UTILITY PLAN AND SCHEDULE AFTER CONSIDERING THE FEATURES THAT DISTINGUISH THE MUNICIPAL ELECTRIC UTILITY FROM OTHER ELECTRIC COMPANIES.

(V) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED AS REQUIRING THE FUNCTIONAL, OPERATIONAL, STRUCTURAL, OR LEGAL SEPARATION OF THE REGULATED AND NONREGULATED OPERATIONS OF THE MUNICIPAL ELECTRIC UTILITY.

(3) ON OR BEFORE OCTOBER 1, 2003, EACH MUNICIPAL ELECTRIC UTILITY SHALL REPORT, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY ON THE STATUS OF THE OPPORTUNITY FOR CUSTOMER CHOICE IN ITS SERVICE TERRITORY, INCLUDING:

(I) IF THE SERVICE TERRITORY OF THE MUNICIPAL ELECTRIC UTILITY IS AVAILABLE FOR CUSTOMER CHOICE, ITS EXPERIENCE, THROUGH JULY 1, 2003, WITH THE TRANSITION TO CUSTOMER CHOICE; OR

(II) IF THE SERVICE TERRITORY OF THE MUNICIPAL ELECTRIC UTILITY IS NOT AVAILABLE FOR CUSTOMER CHOICE AS OF JULY 1, 2003, ITS PROPOSED INTENTION TO DO SO IN THE FUTURE.

(4) IF A MUNICIPAL ELECTRIC UTILITY SERVES CUSTOMERS OUTSIDE ITS DISTRIBUTION TERRITORY, ELECTRICITY SUPPLIERS LICENSED UNDER § 7-507 OF THIS SUBTITLE MAY SERVE THE CUSTOMERS IN THE DISTRIBUTION TERRITORY OF THE MUNICIPAL ELECTRIC UTILITY, AS SPECIFIED IN EACH MUNICIPAL ELECTRIC UTILITY'S RESTRUCTURING PLAN APPROVED BY THE COMMISSION UNDER § 7-505 OF THIS SUBTITLE".

AMENDMENT NO. 21

On page 26, in line 19, strike "OR"; in line 26, after "1999" insert " ; OR

3. THE GENERATING CAPACITY OF ON-SITE GENERATING FACILITIES INSTALLED AFTER JANUARY 1, 2000, AS DETERMINED BY

THE COMMISSION, FROM MICRO-TURBINES, PHOTOVOLTAICS, FUEL CELLS, AND WIND MACHINES THAT HAVE A CAPACITY OF 500 KILOWATTS OR LESS WITH FUEL UTILIZATION EFFICIENCY OF AT LEAST 40%”;

in line 27, after “(II)” insert “1.”; and after line 29, insert:

“2. ONLY THE FIRST 40 MEGAWATTS, ON A STATEWIDE BASIS, OF THE AGGREGATE GENERATING CAPACITY OF ON-SITE GENERATING FACILITIES MAY QUALIFY UNDER SUBPARAGRAPH (I)3 OF THIS PARAGRAPH.”.

AMENDMENT NO. 22

On page 13, after line 23, insert:

“7-211.

(a) Subject to review and approval by the Commission, each gas company and electric company shall develop and implement programs and services to encourage and promote the efficient use and conservation of energy by consumers, gas companies, and electric companies.

(b) The Commission shall:

(1) require each gas company and electric company to establish any program or service that the Commission deems appropriate and cost effective to encourage and promote the efficient use and conservation of energy; and

(2) adopt rate-making policies that provide cost recovery and, in appropriate circumstances, reasonable financial incentives for gas companies and electric companies to establish programs and services that encourage and promote the efficient use and conservation of energy.

(C) (1) ON OR BEFORE FEBRUARY 1, 2001, THE COMMISSION, IN CONSULTATION WITH THE MARYLAND ENERGY ADMINISTRATION, SHALL REPORT, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY ON:

(Over)

(I) THE STATUS OF PROGRAMS AND SERVICES TO ENCOURAGE AND PROMOTE THE EFFICIENT USE AND CONSERVATION OF ENERGY; AND

(II) A RECOMMENDATION FOR THE APPROPRIATE FUNDING LEVEL TO ADEQUATELY FUND THESE PROGRAMS AND SERVICES.

(2) IN DETERMINING WHETHER A PROGRAM OR SERVICE ENCOURAGES AND PROMOTES THE EFFICIENT USE AND CONSERVATION OF ENERGY, THE COMMISSION SHALL CONSIDER THE FOLLOWING CRITERIA:

(I) THE IMPACT ON JOBS;

(II) THE IMPACT ON THE ENVIRONMENT;

(III) THE IMPACT ON RATES; AND

(IV) THE COST-EFFECTIVENESS.”.

On page 17, in line 28, strike “(9)” and substitute:

“(13) THE COMMISSION, IN CONSULTATION WITH THE DEPARTMENT OF THE ENVIRONMENT, SHALL ADOPT APPROPRIATE MEASURES TO MAINTAIN ENVIRONMENTAL STANDARDS, ADAPT EXISTING PROGRAMS, AND DEVELOP NEW PROGRAMS AS APPROPRIATE TO ENSURE THAT FEDERAL AND STATE ENVIRONMENTAL PROTECTION STANDARDS ARE NOT COMPROMISED IN A COMPETITIVE ELECTRICITY MARKET.

(14) (I)”.

On page 28, strike in their entirety lines 15 through 22, inclusive; and after line 36, insert:

“SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as

follows:

Article - Public Utility Companies

7-203.

(a) (1) The Commission shall:

(i) impose an environmental surcharge per kilowatt hour of electricity [generated] DISTRIBUTED TO RETAIL ELECTRIC CUSTOMERS within the State; and

(ii) authorize each electric company to add the full amount of the surcharge to its customers' bills.

(2) To the extent that an electric company fails to collect the surcharge from its customers, the amount uncollected shall be deemed a cost of power [generation] DISTRIBUTION and allowed and computed as such together with other allowable expenses for purposes of rate-making.

(b) (1) The Comptroller shall collect the revenue from the surcharge imposed under subsection (a) of this section and place the revenue into a special fund, the Environmental Trust Fund.

(2) The Comptroller shall maintain the method of collection of the surcharge from each electric company, and the money collected shall accrue to the Fund.

(c) (1) Each fiscal year, the Secretary of Natural Resources shall coordinate the preparation of the annual budget required to carry out the provisions of the Power Plant Research Program under Title 3, Subtitle 3 of the Natural Resources Article.

(2) Each fiscal year, on approval of the annual budget by the General Assembly for the Power Plant Research Program, the Commission shall establish the amount of the environmental surcharge per kilowatt hour of electric energy [generated] DISTRIBUTED in the

(Over)

State that is to be imposed on each electric company in accordance with subsection (a) of this section.

(d) (1) Notwithstanding any other provision of this subtitle, the amount of the surcharge for each account OF EACH RETAIL ELECTRIC CUSTOMER may not exceed the lesser of 0.15 mill per kilowatt hour or \$1,000 per month.

(2) The Department of Natural Resources shall credit against the amount the Commission requires each electric company to pay into the Environmental Trust Fund 1.5% of the total surcharge amount attributed to the electric company on the basis of the amount of the electricity [generated] DISTRIBUTED in the State.

(e) The surcharge imposed under this subtitle shall terminate on June 30, [2000] 2005.

Article - Natural Resources

3-302.

(a) There is an Environmental Trust Fund. For the purpose of this subtitle, there is established as an added cost of [generation] ELECTRICITY DISTRIBUTED TO RETAIL ELECTRIC CUSTOMERS WITHIN THE STATE, an environmental surcharge per kilowatt hour of electric energy [generated] DISTRIBUTED in the State to be paid by any electric company as defined in § 1-101 of the Public Utility Companies Article. [This surcharge initially shall be assessed at 0.1 mill per kilowatt hour as of January 1, 1972.] The Public Service Commission shall impose the surcharge per kilowatt hour of electric energy [generated] DISTRIBUTED TO RETAIL ELECTRIC CUSTOMERS within the State and shall authorize the electric companies to add the full amount of the surcharge to RETAIL ELECTRIC customers' bills. To the extent that the surcharge is not collected from RETAIL ELECTRIC customers, the surcharge shall be deemed a cost of [generation] DISTRIBUTION and shall be allowed and computed as such, together with other allowable expenses, for rate-making purposes. Revenues from the surcharge shall be collected by the Comptroller and placed in the Fund.

(b) (1) The Secretary, in consultation with the Director of the Maryland Energy Administration, annually shall coordinate the preparation of a budget required to carry out the

provisions of this subtitle. Upon approval of the budget by the General Assembly, the Public Service Commission shall establish the amount of the surcharge per kilowatt hour for the fiscal year beginning July 1, 1972, and for each subsequent fiscal year.

(2) Notwithstanding any other provisions of this subtitle, the amount of the surcharge for each account FOR EACH RETAIL ELECTRIC CUSTOMER may not exceed the lesser of 0.15 [mil] MILL per kilowatt hour or \$1,000 per month and the surcharge may not continue beyond Fiscal Year [2000] 2005.

(3) The Comptroller shall maintain the method of collection of the surcharge from the companies and the collections shall accrue to the Fund. The Department shall credit against the amount required to be paid into the Environmental Trust Fund by each electric company an amount equal to 1 1/2% of the total surcharge attributed to each company on the basis of the electricity [generated] DISTRIBUTED within Maryland.

(c) The Secretary shall administer the Fund. The Fund is subject to the provisions for financial management and budgeting established by the Department of Budget and Management. The moneys in the Fund shall be used to carry out the provisions of this subtitle as provided for in the budget, except that 10% of all moneys accruing to the Fund from July 1, 1978 through June 30, 1983 shall be used to supplement funds necessary to carry out the duties of the People's Counsel of the Public Service Commission. The People's Counsel shall submit an annual budget of necessary supplemental funds to the Department to be incorporated in the Department's budget. For the purposes of this subtitle, the Secretary, in consultation with the Director of the Maryland Energy Administration, may execute appropriate contracts with any State or federal agency, research organization, industry, or academic institution to conduct the necessary research, construct or acquire, or both, real property including physical predictive models, laboratories, buildings, land, and appurtenances, or support the technological development of extraordinary systems related to power plants designed to minimize environmental impact. [He] THE SECRETARY may utilize available expertise in any other State unit in the development, execution, and management of contracts and agreements on projects relating to their areas of prime responsibility.

(d) (1) The Maryland Energy Administration shall receive administrative and fiscal support from the Fund for studies relating to the conservation or production of electric energy.

(2) Fiscal support to the Maryland Energy Administration from the Fund may not exceed \$250,000 in any fiscal year.

(e) The Legislative Auditor shall conduct post audits of a fiscal and compliance nature of the Fund and of the appropriations and expenditures made for the purposes of this subtitle. The cost of the fiscal portion of the post audit examinations shall be an operating cost of the Fund.

SECTION 4. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall take effect July 1, 2000, provided that, if the Public Service Commission delays implementation of customer choice in accordance with the provisions of § 7-510(b) of the Public Utility Companies Article, the surcharge funding the Environmental Trust Fund pursuant to § 7-203 of the Public Utility Companies Article shall continue to be collected as a per kilowatt hour surcharge on electricity generated within the State until customer choice is implemented.

SECTION 5. AND BE IT FURTHER ENACTED, That the Governor is authorized to submit a budget amendment for the fiscal year ending June 30, 2000, transferring \$6,000,000 from the Revenue Stabilization Fund to be used for the purpose of educating consumers on electric utility industry restructuring. In accordance with § 7-505 (b) of the Public Utility Companies Article, the Public Service Commission shall use the allocated funds during the fiscal year ending June 30, 2000, to implement a consumer education program informing customers of changes in the electric industry. On or before September 1, 1999, the Public Service Commission shall report to the Governor and, subject to § 2-1246 of the State Government Article, to the General Assembly on: (1) the recommended funding level, between \$3,000,000 and \$6,000,000, for the consumer education program for the fiscal year ending June 30, 2001; (2) the recommended method of funding for the program; and (3) if applicable, the impact that the funding method will have on customers' costs for electricity. On or before September 1, 2000, the Public Service Commission shall report to the Governor and, subject to § 2-1246 of the State Government Article, to the General Assembly on: (1) the recommended funding level, between \$3,000,000 and \$6,000,000, for the consumer education program for the fiscal year ending June 30, 2002; (2) the recommended method of funding for the program; and (3) if applicable, the impact that the funding method will have on customers' costs for electricity.

SECTION 6. AND BE IT FURTHER ENACTED, That, on or before December 1, 1999, the

Public Service Commission shall report to the Governor and, subject to § 2-1246 of the State Government Article, to the General Assembly on: (1) the determinations of any transition costs or any transition benefits for the various electric companies; and (2) the status of the Public Service Commission’s considerations regarding the functional, operational, structural, or legal separation between electric companies’ regulated businesses and their nonregulated businesses or nonregulated affiliates.”.

AMENDMENT NO. 23

On page 4, in line 33, after “PERSON” insert “:

(I)”; in the same line, after “SELLS” insert “:

1.”; in line 34, strike the first “OR” and substitute “:

2.”; in line 34, strike the second “OR” and substitute “:

3. COMPETITIVE BILLING SERVICES; OR

4. COMPETITIVE METERING SERVICES; OR

(II)”.

On page 25, after line 4, insert:

“(C) (1) A PERSON OTHER THAN AN ELECTRIC COMPANY OR A MUNICIPAL ELECTRIC UTILITY MAY NOT ENGAGE IN THE BUSINESS OF COMPETITIVE BILLING SERVICES IN A LOCAL JURISDICTION THAT ASSESSES A LOCAL ENERGY TAX, UNLESS THE PERSON HOLDS A LICENSE ISSUED BY THAT JURISDICTION.

(2) AN APPLICATION FOR A LOCAL COMPETITIVE BILLING SERVICES LICENSE SHALL BE MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE LOCAL JURISDICTION.

(3) (I) A LOCAL JURISDICTION MAY REQUIRE AN APPLICANT OR LICENSEE TO:

1. HOLD A LICENSE ISSUED BY THE COMMISSION, AS PROVIDED UNDER § 7-507 OF THIS SUBTITLE;

2. POST A BOND OR OTHER SIMILAR INSTRUMENT IN AN AMOUNT EQUAL TO 15% OF THE BOND REQUIRED UNDER § 7-507 OF THIS SUBTITLE; AND

3. HAVE A RESIDENT AGENT IN THE STATE.

(II) A LOCAL JURISDICTION MAY NOT REQUIRE AN APPLICANT OR LICENSEE TO PAY A FEE OR OTHER CHARGE FOR THE LOCAL LICENSE.

(D) (1) A LOCAL JURISDICTION MAY REVOKE OR SUSPEND THE LOCAL LICENSE IF THE LICENSEE FAILS, WITHIN 15 DAYS OF THE DUE DATE ESTABLISHED BY THE LOCAL JURISDICTION, TO PAY OR REMIT ALL OF THE APPLICABLE LOCAL ENERGY TAXES ON SERVICES.

(2) A LOCAL JURISDICTION MAY REINSTATE THE LICENSE AFTER PAYMENT OF ALL LOCAL ENERGY TAXES DUE.

(3) A LOCAL JURISDICTION MAY CHOOSE NOT TO REINSTATE A LICENSE THAT HAS BEEN REVOKED OR SUSPENDED 3 TIMES IN A 12-MONTH PERIOD.

(4) A LOCAL JURISDICTION SHALL REPORT ANY REVOCATION OR SUSPENSION OF A LICENSE TO THE COMMISSION.

(E) THE COMMISSION SHALL ADOPT REGULATIONS OR ISSUE AN ORDER TO ESTABLISH PROCEDURES FOR THE ASSUMPTION OF BILLING RESPONSIBILITIES BY THE ELECTRIC COMPANY THAT DISTRIBUTES ELECTRICITY IN THE RELEVANT SERVICE TERRITORY IF A LOCAL LICENSE IS REVOKED OR SUSPENDED.”

AMENDMENT NO. 24

On page 28, after line 9, insert:

“7-516.

(A) AN ELECTRIC COMPANY SHALL CONTINUE TO PURCHASE ELECTRICITY UNDER ANY CONTRACT IN EFFECT ON JANUARY 1, 1999, WITH A RENEWABLE ENERGY RESOURCE FACILITY LOCATED IN THE STATE UNTIL THE LATER OF THE EXPIRATION OF THE CONTRACT OR THE EXPIRATION OR SATISFACTION OF BONDS EXISTING ON JANUARY 1, 1999, SUPPORTING THE FACILITY.

(B) ON OR BEFORE FEBRUARY 1, 2000, THE COMMISSION, IN CONSULTATION WITH THE MARYLAND ENERGY ADMINISTRATION, SHALL REPORT TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY ON THE FEASIBILITY OF REQUIRING A RENEWABLES PORTFOLIO STANDARD AND THE ESTIMATED COSTS AND BENEFITS OF ESTABLISHING THIS REQUIREMENT.”;

in line 10, strike “7-516.” and substitute “7-517.”; and strike line 13 in its entirety.