

BY: Environmental Matters Committee

AMENDMENTS TO SENATE BILL NO. 171

(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, before "Personnel" insert "Funding and"; strike beginning with "authorizing" in line 3 down through "review;" in line 4 and substitute "establishing the Public Service Commission Fund for certain purposes; providing for the funding of certain costs and expenses of the Public Service Commission in a certain manner and subject to a certain limitation; authorizing the Commission to alter the salary plan and classes of Commission personnel, subject to certain review;"; in line 10, after "date;" insert "providing for the distribution of certain funds;"; in line 11, after "Commission" insert "funding and"; in line 14, after "2-108(d)" insert "and 2-110"; and after line 21, insert:

"BY repealing and reenacting, without amendments,

Article - Public Utility Companies

Section 2-203

Annotated Code of Maryland

(1998 Volume)".

AMENDMENT NO. 2

On page 4, strike in their entirety lines 2 and 3 and substitute:

"(I) THE PROFESSIONAL SERVICE;

(II) THE MANAGEMENT SERVICE; AND"; and after line 26, insert:

"2-110.

(a) (1) (i) Subject to paragraphs (2) and (3) of this subsection, the costs and expenses of the Commission AND THE OFFICE OF PEOPLE'S COUNSEL shall be borne by the

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public service companies that are subject to the Commission's jurisdiction.

(ii) The costs and expenses shall be assessed as provided in this section.

(2) (I) An appropriation for the costs and expenses of the [Commission] OFFICE OF PEOPLE'S COUNSEL shall be included in the State budget and paid from the State treasury.

[(3)] (II) The State treasury shall be reimbursed [from the money collected under this section] UNDER SUBSECTION (D)(2)(I) OF THIS SECTION FOR THE COSTS AND EXPENSES OF THE OFFICE OF PEOPLE'S COUNSEL.

(3) THE COSTS AND EXPENSES OF THE COMMISSION, OTHER THAN THE OFFICE OF PEOPLE'S COUNSEL, SHALL BE PAID FROM THE PUBLIC SERVICE COMMISSION FUND.

(b) (1) (i) Before each State fiscal year, the Chairman of the Commission shall estimate the Commission's total costs and expenses, including:

1. the compensation and expenses of the Commission, its officers, agents, and personnel;

2. the cost of retirement contributions, Social Security, health insurance, and other benefits required to be paid by the State for the personnel of the Commission;

3. all other maintenance and operation expenses; and

4. all other direct and indirect costs.

(ii) The estimate shall exclude the costs of maintaining testing equipment reimbursable under § 2-111(a) of this subtitle.

(2) Based on the estimate, the Chairman shall determine the amount to be paid by each public service company.

(3) The Commission shall send a bill to each public service company on or before May 1st of each year.

- (4) The bill shall equal the product of:
- (i) the estimated total costs and expenses of the Commission during the next fiscal year; multiplied by
  - (ii) the ratio of the gross operating revenues for the public service company derived from intrastate utility operations in the preceding calendar year, or other 12-month period as the Chairman determines, to the total of the gross operating revenues derived from intrastate utility operations for all public service companies that are billed under this section over that period.
- (5) The minimum bill for a public service company shall be \$10.
- (6) The public service company:
- (i) shall pay the bill on or before the next July 15th; or
  - (ii) may elect to make partial payments on the 15th days of July, October, January, and April.
- (7) A partial payment shall equal 25% of the bill and may not be less than \$10.
- (8) During any State fiscal year, the Chairman may change the estimate of costs and expenses of the Commission.
- (9) (i) If the estimate is changed, the Commission shall send a revised bill to each public service company that has elected to make partial payments.
- (ii) The change shall be apportioned equally against the remaining payments for the fiscal year.
- (10) (i) On or before September 15th of each year, the Chairman shall compute the actual costs and expenses of the Commission for the preceding fiscal year.

(ii) After deducting the amounts recovered under § 2-111(a) of this subtitle, on or before October 15th, the Chairman shall send to any public service company that is affected a statement that shows the amount due or the amount to the credit of the public service company.

(11) (i) A public service company shall pay an amount due within 30 days after the statement is received.

(ii) At the option of the public service company, an amount to the credit of a public service company shall be refunded or applied against any succeeding payment due.

(12) The total amount that may be charged to a public service company under this section for a State fiscal year may not exceed:

(i) 0.17% of the public service company's gross operating revenues derived from intrastate utility operations in the preceding calendar year, or other 12-month period that the Chairman determines, for the costs and expenses of the Commission other than that of the Office of People's Counsel; plus

(ii) 0.05% of those revenues for the costs and expenses of the Office of People's Counsel.

(c) (1) Within 30 days after the Commission issues a bill under subsection (b) of this section, the party billed may request a hearing as to the amount of the bill.

(2) Any amount of a bill that is not paid within 30 days after the date of determination on a hearing or, if a hearing is not requested, on the date when payment is due, shall bear annual interest at a rate, not less than 6%, that the Commission sets by regulation.

(D) THE COMMISSION SHALL PAY THE FUNDS COLLECTED FROM FEES ASSESSED UNDER THIS SECTION:

(1) INTO THE GENERAL FUND OF THE STATE, FOR THE COSTS AND EXPENSES OF THE OFFICE OF PEOPLE'S COUNSEL DETERMINED UNDER SUBSECTION

(B)(12)(II) OF THIS SECTION; AND

(2) INTO THE PUBLIC SERVICE COMMISSION FUND, IN AN AMOUNT NOT TO EXCEED \$10,000,000, FOR THE COSTS AND EXPENSES OF THE COMMISSION.

(E) (1) THERE IS A PUBLIC SERVICE COMMISSION FUND.

(2) THE FUND IS A SPECIAL CONTINUING, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(3) THE TREASURER SHALL SEPARATELY HOLD, AND THE COMPTROLLER SHALL ACCOUNT FOR, THE FUND.

(4) THE FUND SHALL BE INVESTED AND REINVESTED IN THE SAME MANNER AS OTHER STATE FUNDS.

(5) ANY INVESTMENT EARNINGS SHALL BE RETAINED TO THE CREDIT OF THE FUND.

(6) THE FUND SHALL BE SUBJECT TO AN AUDIT BY THE OFFICE OF LEGISLATIVE AUDITS AS PROVIDED FOR IN § 2-1220 OF THE STATE GOVERNMENT ARTICLE.

(7) THIS SECTION MAY NOT BE CONSTRUED TO PROHIBIT THE FUND FROM RECEIVING FUNDS FROM ANY OTHER SOURCE.

(8) THE FUND SHALL BE USED ONLY TO PROVIDE FUNDING FOR THE COMMISSION AND FOR THE PURPOSES AUTHORIZED UNDER THIS ARTICLE.

2-203.

(a) The State budget shall provide sufficient money for the Office of People's Counsel to hire necessary staff in addition to the staff assistance that is provided under § 2-205(c)(2) of this subtitle.

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(b) The Office of People's Counsel may retain as necessary for a particular matter or hire experts in the field of utility regulation, including cost of capital experts, rate design experts, accountants, economists, engineers, transportation specialists, and lawyers.”.

On page 6, after line 6, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That any funds collected by the Public Service Commission under § 2-110 of the Public Utility Companies Article that remain unexpended or unallocated to the Commission or the Office of People's Counsel as of June 30, 1999 shall be divided proportionally and paid into the Public Service Commission Fund and the State treasury, respectively, in accordance with § 2-110(d)(2) of the Public Utility Companies Article as enacted by this Act.”;

in line 7, strike “2.” and substitute “3.”; and in line 11, strike “3.” and substitute “4.”.