

HOUSE BILL 703

Unofficial Copy  
C5

1999 Regular Session  
(9r1908)

**ENROLLED BILL**  
-- Environmental Matters/Finance --

Introduced by **Delegates Taylor, Guns, Hixson, Hurson, Howard, Menes,  
Montague, Owings, Rawlings, Rosenberg, Vallario, and Wood**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

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Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
Speaker.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Electric Utility Industry Restructuring**

3 FOR the purpose of enabling the restructuring of the electric utility industry of the  
4 State in a certain manner, subject to oversight of the Public Service Commission;  
5 stating the findings and declaration of intent of the General Assembly; requiring  
6 the Commission to require certain consumer education programs, customer  
7 information, nondiscrimination policies, and operational requirements;  
8 requiring the Commission, in consultation with the Maryland Energy  
9 Administration to report by a certain date on certain programs; requiring the  
10 Commission to issue certain orders or adopt certain regulations before the  
11 implementation of customer choice; prohibiting the disclosure of certain  
12 information; prohibiting certain actions by electricity suppliers; providing that  
13 this Act may not be construed as preventing the application of certain protections  
14 and laws; requiring certain electric companies to provide certain information to  
15 the Department of the Environment and the Commission by a certain date;  
16 requiring the Department of the Environment, in consultation with the

1 Commission, to study a certain environmental surcharge under certain  
2 circumstances; requiring the Commission, in consultation with the Department  
3 of the Environment, to adopt certain measures regarding certain environmental  
4 programs; requiring the Commission to reduce certain rates for a certain time  
5 under certain circumstances; requiring the Commission to consult with the  
6 Consumer Protection Division of the Office of the Attorney General before issuing  
7 certain regulations; allowing municipal electric utilities to elect to make their  
8 service territory available for customer choice; requiring municipal electric  
9 utilities to file a certain plan and report by a certain date on a certain status;  
10 providing that certain persons may not engage in the business of competitive  
11 billing services in certain local jurisdictions unless the person holds a certain  
12 license; providing for certain licensure requirements; prohibiting the recovery of  
13 consumer education costs under certain circumstances; requiring the  
14 Commission to establish a certain universal service program; requiring all  
15 customers of electric companies in the State to contribute to the funding of a  
16 universal service program; requiring the Commission to report on a universal  
17 service program and make a certain recommendation; providing for certain  
18 funding of a universal service program; requiring certain actions by the General  
19 Assembly regarding certain funding of the universal service program; requiring  
20 the Commission to consider certain evidence in determining certain costs or  
21 benefits; requiring the Commission to cooperate with and share information with  
22 the Antitrust Division of the Office of the Attorney General; requiring certain  
23 electric companies to continue purchasing electricity under certain contracts  
24 under certain circumstances; prohibiting electricity suppliers and electric  
25 companies from terminating certain customers under certain circumstances;  
26 requiring the Commission, in consultation with the Maryland Energy  
27 Administration, to report by a certain date on the feasibility of requiring a  
28 certain renewable portfolio standard; altering the imposition of the  
29 environmental surcharge to certain customers; extending the termination date of  
30 a certain surcharge; authorizing the Governor to submit a certain budget  
31 amendment from the Revenue Stabilization Fund to be used for certain  
32 education purposes; requiring the Commission to use certain funds during a  
33 certain period to implement a certain program; requiring the Commission to  
34 report by a certain date on a certain recommended consumer education funding  
35 level for a certain time; providing for the implementation of standard offer service  
36 in a certain manner; prohibiting the Commission from requiring divestiture of  
37 certain assets; requiring the Commission to ensure the creation of certain  
38 competitive electricity services in a certain manner; allowing the Commission to  
39 adopt alternative forms of regulation for certain regulated services; requiring the  
40 Commission to limit certain rates for a certain period; requiring an electric  
41 company to provide certain services in certain territory; requiring certain persons  
42 to be licensed by the Commission before providing electricity supply services in  
43 the State, subject to certain requirements and enforcement mechanisms; allowing  
44 an electric company to transfer or sell certain generation facilities or assets in a  
45 certain manner, subject to certain review by the Commission for certain purposes;  
46 providing for the opportunity to recover certain costs by certain means and  
47 secured or obtained in certain manners; requiring the phased implementation of  
48 customer choice for electric customers in the State in a certain manner by certain

1 dates, subject to Commission determination and certain contingencies;  
2 establishing the obligation of an electric company to serve customers after a  
3 certain date; requiring the implementation of competitive metering and billing on  
4 certain dates; providing for investigation of market power in certain manners,  
5 subject to certain remedial action by the Commission; altering the class of entities  
6 that contribute to the costs and expenses of the Commission; providing for  
7 reciprocity of customer choice with respect to certain other jurisdictions;  
8 providing for certain long-range planning for certain regulated utility services;  
9 requiring certain tariff and rate filings for certain regulated utility services;  
10 eliminating a certain required plan on the State's generating needs; altering  
11 certain criteria for obtaining a certificate of public convenience and necessity for  
12 a generating station; requiring certain electric companies to maintain certain  
13 percentages of renewable energy resources under certain circumstances; requiring  
14 the Secretary of Natural Resources to use certain funds for certain purposes;  
15 providing that certain provisions of the Uniform Commercial Code do not apply  
16 to certain property; providing for the adoption of certain regulations; defining  
17 certain terms; providing that provisions of this Act are severable; providing for  
18 the effective dates of this Act; and generally relating to restructuring of the  
19 electric utility industry.

20 ~~FOR the purpose of enabling the restructuring of the electric utility industry of the~~  
21 ~~State in a certain manner, subject to oversight of the Public Service~~  
22 ~~Commission; stating the findings and declaration of intent of the General~~  
23 ~~Assembly; allowing the Commission to require certain consumer education~~  
24 ~~programs, customer information, nondiscrimination policies, and operational~~  
25 ~~requirements; requiring the Commission to order certain universal programs;~~  
26 ~~providing for the implementation of standard offer service in a certain manner;~~  
27 ~~prohibiting the Commission from requiring divestiture of certain assets;~~  
28 ~~requiring the Commission to ensure the creation of certain competitive~~  
29 ~~electricity services in a certain manner; allowing the Commission to adopt~~  
30 ~~alternative forms of regulation for certain regulated services; requiring the~~  
31 ~~Commission to limit certain rates for a certain period; requiring the Commission~~  
32 ~~to reduce certain rates for a certain time under certain circumstances; requiring~~  
33 ~~an electric company to provide certain services in certain territory; requiring~~  
34 ~~certain persons to be licensed by the Commission before providing electricity~~  
35 ~~supply services in the State, subject to certain requirements and enforcement~~  
36 ~~mechanisms; requiring the Commission to adopt certain regulations or issue~~  
37 ~~certain orders by a certain time; requiring certain electricity suppliers to provide~~  
38 ~~certain information in a certain manner; providing that certain provisions of~~  
39 ~~this Act may not be construed as preventing the application of certain~~  
40 ~~protections of laws; requiring the Department of the Environment, in~~  
41 ~~consultation with the Commission, to adopt certain measures regarding certain~~  
42 ~~environmental programs; requiring the Commission to consider certain evidence~~  
43 ~~in determining certain costs and benefits; requiring a certain electric company~~  
44 ~~to continue purchasing electricity under a certain contract under certain~~  
45 ~~circumstances; requiring the Commission, in consultation with the Maryland~~  
46 ~~Energy Administration, to report by a certain date on the feasibility of requiring~~  
47 ~~certain renewable portfolio standards; altering the imposition of the~~  
48 ~~environmental surcharge to certain customers; allowing an electric company to~~

1 transfer or sell certain generation facilities or assets in a certain manner,  
 2 subject to certain review by the Commission for certain purposes; providing for  
 3 the opportunity to recover certain costs by certain means and secured or  
 4 obtained in certain manners; requiring the phased implementation of customer  
 5 choice for electric customers in the State in a certain manner by certain dates,  
 6 subject to Commission determination and certain contingencies; establishing  
 7 the obligation of an electric company to serve customers after a certain date;  
 8 requiring the implementation of competitive metering and billing on certain  
 9 dates; providing for investigation of market power in certain manners, subject to  
 10 certain remedial action by the Commission; providing for reciprocity of customer  
 11 choice with respect to certain other jurisdictions; providing for certain  
 12 long range planning for certain regulated utility services only; requiring certain  
 13 tariff and rate filings for certain regulated utility services only; eliminating a  
 14 certain required plan on the State's generating needs; altering certain criteria  
 15 for obtaining a certificate of public convenience and necessity for a generating  
 16 station; requiring the Secretary of Natural Resources to use certain funds for  
 17 certain purposes; providing that certain provisions of the Uniform Commercial  
 18 Code do not apply to certain property; providing for the adoption of certain  
 19 regulations; defining certain terms; ~~extending to a certain date the termination~~  
 20 ~~date of the Environmental Trust Fund; extending the termination date of a~~  
 21 ~~certain surcharge; requiring the Attorney General, Division of Consumer~~  
 22 ~~Protection, to develop and maintain certain information in a certain manner;~~  
 23 providing that provisions of this Act are severable; providing for the effective  
 24 date of a portion of this Act; and generally relating to restructuring of the  
 25 electric utility industry.

26 BY repealing and reenacting, with amendments,

27 Article - Public Utility Companies

28 Section 1-101, 2-110, 2-118, 4-201, 4-202, 7-201, 7-203, 7-207, and 7-211

29 Annotated Code of Maryland

30 (1998 Volume)

31 BY adding to

32 Article - Public Utility Companies

33 Section 7-501 through 7-518, inclusive, to be under the new subtitle "Subtitle 5,

34 Electric Industry Restructuring"

35 Annotated Code of Maryland

36 (1998 Volume)

37 BY repealing and reenacting, with amendments,

38 Article - Commercial Law

39 Section 9-104(m)

40 Annotated Code of Maryland

41 (1997 Replacement Volume and 1998 Supplement)

42 BY adding to

1 Article - Commercial Law  
 2 Section 9-104(n)  
 3 Annotated Code of Maryland  
 4 (1997 Replacement Volume and 1998 Supplement)

5 BY repealing  
 6 Article - Public Utility Companies  
 7 Section 4-403  
 8 Annotated Code of Maryland  
 9 (1998 Volume)

10 BY repealing and reenacting, with amendments,  
 11 Article - Natural Resources  
 12 Section 3-302  
 13 Annotated Code of Maryland  
 14 (1997 Replacement Volume and 1998 Supplement)

15 ~~BY repealing and reenacting, with amendments,~~  
 16 ~~Article - Public Utility Companies~~  
 17 ~~Section 1-101, 2-110, 2-118, 4-201, 4-202, 7-201, 7-203, and 7-207, and 7-211~~  
 18 ~~Annotated Code of Maryland~~  
 19 ~~(1998 Volume)~~

20 ~~BY adding to~~  
 21 ~~Article - Public Utility Companies~~  
 22 ~~Section 7-501 through 7-518 7-520, inclusive, to be under the new subtitle~~  
 23 ~~"Subtitle 5. Electric Industry Restructuring"~~  
 24 ~~Annotated Code of Maryland~~  
 25 ~~(1998 Volume)~~

26 ~~BY adding to~~  
 27 ~~Article - Natural Resources~~  
 28 ~~Section 3-308~~  
 29 ~~Annotated Code of Maryland~~  
 30 ~~(1997 Replacement Volume and 1998 Supplement)~~

31 ~~BY repealing and reenacting, with amendments,~~  
 32 ~~Article - Commercial Law~~  
 33 ~~Section 9-104(m)~~  
 34 ~~Annotated Code of Maryland~~  
 35 ~~(1997 Replacement Volume and 1998 Supplement)~~

36 ~~BY adding to~~

1 ~~Article—Commercial Law~~  
 2 ~~Section 9-104(n)~~  
 3 ~~Annotated Code of Maryland~~  
 4 ~~(1997 Replacement Volume and 1998 Supplement)~~

5 ~~BY repealing~~  
 6 ~~Article—Public Utility Companies~~  
 7 ~~Section 4-403~~  
 8 ~~Annotated Code of Maryland~~  
 9 ~~(1998 Volume)~~

10 ~~BY repealing and reenacting, with amendments,~~  
 11 ~~Article—Natural Resources~~  
 12 ~~Section 3-302~~  
 13 ~~Annotated Code of Maryland~~  
 14 ~~(1997 Replacement Volume and 1998 Supplement)~~

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

17 *Article - Public Utility Companies*

18 1-101.

19 (a) In this article the following words have the meanings indicated.

20 (B) (1) "AGGREGATOR" MEANS AN ENTITY OR AN INDIVIDUAL THAT ACTS  
 21 ON BEHALF OF A CUSTOMER TO PURCHASE ELECTRICITY.

22 (2) "AGGREGATOR" DOES NOT INCLUDE:

23 (I) AN ENTITY OR INDIVIDUAL THAT PURCHASES ELECTRICITY  
 24 FOR ITS OWN USE OR FOR THE USE OF ITS SUBSIDIARIES OR AFFILIATES;

25 (II) A MUNICIPAL ELECTRIC UTILITY SERVING ONLY IN ITS  
 26 DISTRIBUTION TERRITORY; OR

27 (III) A COMBINATION OF GOVERNMENTAL UNITS THAT PURCHASES  
 28 ELECTRICITY FOR USE BY THE GOVERNMENTAL UNITS.

29 (C) "BROKER" MEANS AN ENTITY OR INDIVIDUAL THAT ACTS AS AN AGENT OR  
 30 INTERMEDIARY IN THE SALE AND PURCHASE OF ELECTRICITY BUT DOES NOT TAKE  
 31 TITLE TO ELECTRICITY.

32 [(b)] (D) "Commission" means the Public Service Commission.

1 [(c)] (E) (1) "Common carrier" means a person, public authority, or federal,  
2 State, district, or municipal transportation unit that is engaged in the public  
3 transportation of persons for hire, by land, water, air, or any combination of them.

4 (2) "Common carrier" includes:

5 (i) an airline company;

6 (ii) a car company, motor vehicle company, automobile company, or  
7 motor bus company;

8 (iii) a power boat company, vessel-boat company, steamboat  
9 company, or ferry company;

10 (iv) a railroad company, street railroad company, or sleeping car  
11 company;

12 (v) a taxicab company;

13 (vi) a toll bridge company; and

14 (vii) a transit company.

15 (3) "Common carrier" does not include:

16 (i) a county revenue authority;

17 (ii) a toll bridge or other facility owned and operated by a county  
18 revenue authority; or

19 (iii) a vanpool or launch service.

20 [(d)] (F) "Company", as a designation for a type of enterprise, includes a person  
21 that owns a company individually or as an agent, trustee, or receiver of a company.

22 [(e)] (G) "County" means a county of the State or Baltimore City.

23 [(f)] (H) (1) "Electric company" means a [public service company that:

24 (i) owns an electric plant and transmits, sells, or distributes  
25 electricity;

26 (ii) generates electricity for distribution or sale; or

27 (iii) is authorized to install or maintain facilities in, over, or under  
28 streets for furnishing or distributing electricity.

29 (2) "Electric company" includes a municipal corporation that is in the  
30 business of supplying electricity for other than municipal purposes] PERSON WHO  
31 PHYSICALLY TRANSMITS OR DISTRIBUTES ELECTRICITY IN THE STATE TO A RETAIL  
32 ELECTRIC CUSTOMER.

1                    [(3)]    (2)    "Electric company" does not include [a company that generates  
2 or transmits electricity exclusively for its own use]:

3                    (I)    THE FOLLOWING PERSONS WHO SUPPLY ELECTRICITY AND  
4 ELECTRICITY SUPPLY SERVICES SOLELY TO OCCUPANTS OF A BUILDING FOR USE BY  
5 THE OCCUPANTS:

6                    1.    AN OWNER/OPERATOR WHO HOLDS OWNERSHIP IN AND  
7 MANAGES THE INTERNAL DISTRIBUTION SYSTEM SERVING THE BUILDING; OR

8                    2.    A LESSEE/OPERATOR WHO HOLDS A LEASEHOLD  
9 INTEREST IN AND MANAGES THE INTERNAL DISTRIBUTION SYSTEM SERVING THE  
10 BUILDING;

11                    (II)   ANY PERSON WHO GENERATES ON-SITE GENERATED  
12 ELECTRICITY; OR

13                    (III) A PERSON WHO TRANSMITS OR DISTRIBUTES ELECTRICITY  
14 WITHIN A SITE OWNED BY THE PERSON OR THE PERSON'S AFFILIATE THAT IS  
15 INCIDENTAL TO A PRIMARILY LANDLORD-TENANT RELATIONSHIP.

16                    [(g)]    (I)    "Electric plant" means the material, equipment, and property owned  
17 by an electric company and used or to be used for or in connection with electric service.

18                    (J)    (I)    "ELECTRICITY SUPPLIER" MEANS A PERSON:

19                    (I)    WHO SELLS:

20                    1.    ELECTRICITY;

21                    2.    ELECTRICITY SUPPLY SERVICES;

22                    3.    COMPETITIVE BILLING SERVICES; OR

23                    4.    COMPETITIVE METERING SERVICES; OR

24                    (II)   WHO PURCHASES, BROKERS, ARRANGES, OR MARKETS  
25 ELECTRICITY OR ELECTRICITY SUPPLY SERVICES FOR SALE TO A RETAIL ELECTRIC  
26 CUSTOMER.

27                    (2)    "ELECTRICITY SUPPLIER" INCLUDES AN ELECTRIC COMPANY, AN  
28 AGGREGATOR, A BROKER, AND A MARKETER OF ELECTRICITY.

29                    (3)    "ELECTRICITY SUPPLIER" DOES NOT INCLUDE:

30                    (I)    THE FOLLOWING PERSONS WHO SUPPLY ELECTRICITY AND  
31 ELECTRICITY SUPPLY SERVICES SOLELY TO OCCUPANTS OF A BUILDING FOR USE BY  
32 THE OCCUPANTS:

33                    1.    AN OWNER/OPERATOR WHO HOLDS OWNERSHIP IN AND  
34 MANAGES THE INTERNAL DISTRIBUTION SYSTEM SERVING THE BUILDING; OR



1 2. A LESSEE/OPERATOR WHO HOLDS A LEASEHOLD  
 2 INTEREST IN AND MANAGES THE INTERNAL DISTRIBUTION SYSTEM SERVING THE  
 3 BUILDING; OR

4 (II) A PERSON WHO GENERATES ON-SITE GENERATED  
 5 ELECTRICITY.

6 [(h)] (K) (1) "Gas company" means a public service company that:

7 (i) is authorized to install or maintain facilities in, over, or under  
 8 streets for furnishing or distributing gas; or

9 (ii) owns a gas plant and:

10 1. transmits, sells, supplies, or distributes artificial or  
 11 natural gas; or

12 2. manufactures gas for distribution or sale.

13 (2) "Gas company" includes a municipal corporation that is in the  
 14 business of supplying gas for other than municipal purposes.

15 [(i)] (L) "Gas master meter operator" means a person that owns or  
 16 operates a pipeline system, other than piping within a building:

17 (1) that distributes gas within, but not limited to, a definable area, such  
 18 as a mobile home park, housing project, or apartment complex;

19 (2) for which the person purchases metered, artificial, or natural gas  
 20 from an outside source for resale through the pipeline system; and

21 (3) that supplies the ultimate consumer, who purchases the gas directly  
 22 through a meter or by other means, such as by rent.

23 [(j)] (M) "Gas plant" means the material, equipment, and property owned by a  
 24 gas company and used or to be used for or in connection with gas service.

25 [(k)] (N) "Launch service" means a power boat company that transports  
 26 passengers or freight between the shore and vessels on a body of water in the State.

27 (O) "MARKETER" MEANS A PERSON WHO PURCHASES AND TAKES TITLE TO  
 28 ELECTRICITY AS AN INTERMEDIARY FOR SALE TO A CUSTOMER.

29 (P) "MUNICIPAL ELECTRIC UTILITY" MEANS A MUNICIPAL CORPORATION, OR  
 30 A DIVISION OF A MUNICIPAL CORPORATION, THAT IS IN THE BUSINESS OF  
 31 TRANSMITTING OR DISTRIBUTING ELECTRICITY FOR PURPOSES OTHER THAN END  
 32 USE BY THE MUNICIPAL CORPORATION.

33 (Q) "ON-SITE GENERATED ELECTRICITY" MEANS ELECTRICITY THAT:

1 (1) IS NOT TRANSMITTED OR DISTRIBUTED OVER AN ELECTRIC  
2 COMPANY'S TRANSMISSION OR DISTRIBUTION SYSTEM; AND

3 (2) IS GENERATED AT A FACILITY OWNED OR OPERATED BY AN  
4 ELECTRIC CUSTOMER OR OPERATED BY A DESIGNEE OF THE OWNER WHO, WITH THE  
5 OTHER TENANTS OF THE FACILITY, CONSUMES AT LEAST 80% OF THE POWER  
6 GENERATED BY THE FACILITY EACH YEAR.

7 [(l)] (R) "Own" includes own, operate, lease to or from, manage, or  
8 control.

9 [(m)] (S) "Person" means an individual, receiver, trustee, guardian, personal  
10 representative, fiduciary, or representative of any kind and any partnership, firm,  
11 association, corporation, or other entity.

12 [(n)] (T) "Plant" includes all material, equipment, and property owned by a  
13 public service company and used or to be used for or in connection with a public utility  
14 service.

15 [(o)] (U) "Proceeding" includes an action, complaint, hearing, investigation,  
16 trial, appeal, order, or similar matter pending before, made, or conducted by an official  
17 body.

18 [(p)] (V) "Public service company" means a common carrier company, electric  
19 company, gas company, sewage disposal company, steam heating company, telegraph  
20 company, telephone company, water company, or any combination of public service  
21 companies.

22 [(q)] (W) (1) "Railroad" means a common carrier by rail powered in any  
23 manner.

24 (2) "Railroad" includes material, equipment, and property used on or in  
25 connection with a railroad.

26 [(r)] (X) (1) "Rate" means a toll, fare, tariff, fee, price, or other charge, or a  
27 combination of these items, by a public service company for public utility service.

28 (2) "Rate" includes a schedule, regulation, classification, or practice of a  
29 public service company that affects:

30 (i) the amount of a charge; or

31 (ii) the nature and value of the service rendered for the charge.

32 [(s)] (Y) (1) "Record" means the original or a copy of any documentary  
33 material.

34 (2) "Record" includes an account, book, chart, contract, document, file,  
35 map, paper, profile, report, or schedule.

1 (Z) "RENEWABLE ENERGY RESOURCE" MEANS ONE OR MORE OF THE  
 2 FOLLOWING SOURCES OF ENERGY, ENERGY TECHNOLOGY, OR RELATED CREDIT:

3 (1) SOLAR;

4 (2) WIND;

5 (3) TIDAL;

6 (4) GEOTHERMAL;

7 (5) BIOMASS, INCLUDING WASTE-TO-ENERGY AND LANDFILL GAS  
 8 RECOVERY;

9 (6) HYDROELECTRIC FACILITIES;

10 (7) DIGESTER GAS; AND

11 (8) A MANUFACTURING OR COMMERCIAL WASTE-TO-ENERGY SYSTEM  
 12 OR FACILITY.

13 (AA) (1) "RETAIL ELECTRIC CUSTOMER" MEANS A PURCHASER OF  
 14 ELECTRICITY FOR END USE IN THE STATE.

15 (2) "RETAIL ELECTRIC CUSTOMER" EXCLUDES:

16 (I) AN OCCUPANT OF A BUILDING IN WHICH THE  
 17 OWNER/OPERATOR OR LESSEE/OPERATOR MANAGES THE INTERNAL DISTRIBUTION  
 18 SYSTEM SERVING THE BUILDING AND SUPPLIES ELECTRICITY AND ELECTRICITY  
 19 SUPPLY SERVICES SOLELY TO OCCUPANTS OF THE BUILDING FOR USE BY THE  
 20 OCCUPANTS; AND

21 (II) A PERSON WHO GENERATES ON-SITE GENERATED  
 22 ELECTRICITY, TO THE EXTENT THE ON-SITE GENERATED ELECTRICITY IS  
 23 CONSUMED BY THAT PERSON OR ITS TENANTS.

24 [(t)] (BB) "Sewage disposal company" means a privately-owned public service  
 25 company that owns or maintains facilities for the disposal of sewage.

26 [(u)] (CC) "Small rural electric cooperative" means an electric company that:

27 (1) serves only the consumers that exclusively own and control the  
 28 company;

29 (2) conducts its business on a not-for-profit basis; and

30 (3) supplies electricity to less than 1,000 electric meters in the State.

31 [(v)] (DD) "State" means:

32 (1) a state, possession, territory, or commonwealth of the United States; or

1           (2)     the District of Columbia.

2     [(w)]   (EE)   "Steam heating company" means a public service company that  
3 manufactures, sells, or distributes steam for use, sale, or distribution.

4     [(x)]   (FF)   "Street railroad" means a railroad:

5           (1)     that is not part of a trunk line railway system; and

6           (2)     whose routes are mainly within Baltimore City or a municipal  
7 corporation with a population of at least 2,000.

8     [(y)]   (GG)   (1)     "Taxicab" means a motor vehicle for hire that:

9                   (i)     is designed to carry seven or fewer individuals, including the  
10 driver; and

11                   (ii)    is used to accept or solicit passengers for transportation between  
12 points along public streets as the passengers request.

13           (2)     "Taxicab" does not include a motor vehicle operated on a regular  
14 schedule and between fixed points with the approval of the Commission as defined in  
15 Title 11 of the Transportation Article.

16     [(z)]   (HH)   "Telegraph company" means a public service company that:

17           (1)     owns telegraph lines to receive, transmit, or communicate telegraphic  
18 communications; or

19           (2)     leases, licenses, or sells telegraphic communications.

20     [(aa)]  (II)   "Telegraph lines" means the material, equipment, and property  
21 owned by a telegraph company and used or to be used for or in connection with  
22 telegraph service.

23     [(bb)]  (JJ)   (1)     "Telephone company" means a public service company that:

24                   (i)     owns telephone lines to receive, transmit, or communicate  
25 telephone or teletype communications; or

26                   (ii)    leases, licenses, or sells telephone or teletype communications.

27           (2)     "Telephone company" does not include a cellular telephone company.

28     [(cc)]  (KK)   "Telephone lines" means the material, equipment, and property owned  
29 by a telephone company and used or to be used for or in connection with telephone  
30 service.

31     [(dd)]  (LL)   "Toll bridge" means a bridge operated by a person authorized by the  
32 Commission to charge and collect toll from traffic using the bridge.

1 ~~[(ee)]~~ (MM) (1) "Transportation of persons for hire" means the transportation  
2 of persons by:

3 (i) regularly scheduled operations;

4 (ii) charter or contract operations; or

5 (iii) tour or sightseeing operations.

6 (2) "Transportation of persons for hire" includes the transportation of  
7 persons, whether on the cooperative plan, carried by a corporation, group, or  
8 association engaged in the transportation of its stockholders, shareholders, or  
9 members.

10 ~~[(ff)]~~ (NN) "Water company" means a public service company that owns a water  
11 plant and sells or distributes water for gain.

12 ~~[(gg)]~~ (OO) "Water plant" means the material, equipment, and property owned  
13 by a water company and used or to be used for or in connection with water service.

14 2-110.

15 (A) IN THIS SECTION, "PUBLIC SERVICE COMPANY" INCLUDES AN  
16 ELECTRICITY SUPPLIER AS DEFINED IN § 1-101 OF THIS ARTICLE.

17 ~~[(a)]~~ (B) (1) (i) Subject to paragraphs (2) and (3) of this subsection, the  
18 costs and expenses of the Commission shall be borne by the public service companies  
19 that are subject to the Commission's jurisdiction.

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

22 (2) An appropriation for the costs and expenses of the Commission shall  
23 be included in the State budget and paid from the State treasury.

24 (3) The State treasury shall be reimbursed from the money collected  
25 under this section.

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

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

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

33 3. all other maintenance and operation expenses; and

34 4. all other direct and indirect costs.

- 1                   (ii)     The estimate shall exclude the costs of maintaining testing  
2 equipment reimbursable under § 2-111(a) of this subtitle.
- 3                   (2)     Based on the estimate, the Chairman shall determine the amount to be  
4 paid by each public service company.
- 5                   (3)     The Commission shall send a bill to each public service company on or  
6 before May 1st of each year.
- 7                   (4)     The bill shall equal the product of:
- 8                   (i)     the estimated total costs and expenses of the Commission during  
9 the next fiscal year; multiplied by
- 10                  (ii)     the ratio of the gross operating revenues for the public service  
11 company derived from intrastate utility AND ELECTRICITY SUPPLIER operations in  
12 the preceding calendar year, or other 12-month period as the Chairman determines, to  
13 the total of the gross operating revenues derived from intrastate utility AND  
14 ELECTRICITY SUPPLIER operations for all public service companies that are billed  
15 under this section over that period.
- 16                  (5)     The minimum bill for a public service company shall be \$10.
- 17                  (6)     The public service company:
- 18                   (i)     shall pay the bill on or before the next July 15th; or
- 19                   (ii)     may elect to make partial payments on the 15th days of July,  
20 October, January, and April.
- 21                  (7)     A partial payment shall equal 25% of the bill and may not be less than  
22 \$10.
- 23                  (8)     During any State fiscal year, the Chairman may change the estimate  
24 of costs and expenses of the Commission.
- 25                  (9)     (i)     If the estimate is changed, the Commission shall send a revised  
26 bill to each public service company that has elected to make partial payments.
- 27                   (ii)     The change shall be apportioned equally against the remaining  
28 payments for the fiscal year.
- 29                  (10)    (i)     On or before September 15th of each year, the Chairman shall  
30 compute the actual costs and expenses of the Commission for the preceding fiscal year.
- 31                   (ii)     After deducting the amounts recovered under § 2-111(a) of this  
32 subtitle, on or before October 15th, the Chairman shall send to any public service  
33 company that is affected a statement that shows the amount due or the amount to the  
34 credit of the public service company.

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

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

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

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

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

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

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

22 2-118.

23    (a)    This section does not apply to taxicabs, power boat companies, toll bridges,  
24 or towing and lightering companies.

25    (b)    The Commission shall require each public service company subject to its  
26 jurisdiction to formulate and, after approval by the Commission, to implement  
27 long-range plans to provide REGULATED service.

28    (c)    The Commission shall require each electric company in the State to include  
29 in the long-range plan adequate, COST-EFFECTIVE provisions to promote energy  
30 conservation to decrease or moderate electric and, as appropriate, natural gas demand  
31 FOR REGULATED SERVICE from customers.

32    (d)    (1)    The Commission shall review each plan for adequacy under the  
33 criteria of § 2-113 of this subtitle, giving attention to the interrelationship of services of  
34 other public service companies and to provisions for research and development to  
35 ensure adequate service.

36                   (2)    As part of the review, and subject to any applicable Freedom of  
37 Information Act, the Commission shall consult with other State units and provide an  
38 opportunity for public comment.

1           (3)     The Commission shall require the revisions to a plan that the  
2 Commission considers appropriate unless the authority to review and approve a plan  
3 has been granted to another State unit by other law.

4 4-201.

5     In accordance with the provisions of this article, a public service company shall  
6 charge just and reasonable rates for the [utility] REGULATED services that it renders.  
7 4-202.

8     (a)     A public service company shall file with the Commission a tariff schedule of  
9 its rates and charges FOR ITS REGULATED SERVICES AND FOR STANDARD OFFER  
10 SERVICE AS PROVIDED IN § 7-505(B)(8) OF THIS ARTICLE.

11     (b)     As ordered by the Commission, a public service company shall:

12           (1)     plainly print the tariff schedule of its rates and charges FOR ITS  
13 REGULATED SERVICES;

14           (2)     make available the tariff schedules for public inspection; and

15           (3)     post the tariff schedules to make the tariff schedules readily accessible  
16 to and convenient for inspection by the public.

17 7-201.

18     (a)     [In cooperation with the Secretary of Natural Resources as provided under  
19 § 3-304 of the Natural Resources Article, the Commission shall assemble and evaluate  
20 annually the long-range plans of the State's electric companies regarding generating  
21 needs and the means to meet those needs.

22     (b)]     (1)     Annually, the chairman of the Commission shall forward to the  
23 Secretary of Natural Resources a 10-year plan listing possible and proposed sites,  
24 including the associated transmission routes, for the construction of electric plants  
25 within the State.

26           (2)     (i)     The chairman shall delete from the 10-year plan any site that  
27 the Secretary of Natural Resources identifies as unsuitable in accordance with the  
28 requirements of § 3-304 of the Natural Resources Article.

29                   (ii)     The chairman may include a site deleted from a 10-year plan  
30 under subparagraph (i) of this paragraph in a subsequent 10-year plan.

31           (3)     The chairman shall include information in the annual 10-year plan  
32 on current and projected efforts by electric companies and the Commission to moderate  
33 overall electrical generation demand and peak demand through the electric companies'  
34 promotion of energy conservation by customers and through the electric companies' use  
35 of alternative energy sources, including cogeneration.



1 [(c)] (B) (1) The Commission shall evaluate the cost-effectiveness of the  
2 investments by electric companies in energy conservation to reduce electrical demand  
3 and in renewable energy sources to help meet electrical demand.

4 (2) The evaluation of investments shall include:

5 (i) the electric companies' promotion and conduct of a building  
6 audit and weatherization program, including low-interest or no-interest electric  
7 company financing for the installation of energy conservation materials and renewable  
8 energy devices;

9 (ii) utilization of renewable energy sources;

10 (iii) promotion and utilization of electricity from cogeneration and  
11 wastes; and

12 (iv) widespread public promotion of energy conservation programs.

13 7-207.

14 (a) (1) In this section and § 7-208 of this subtitle, "construction" means the  
15 clearing of land, excavation, or other action that affects the natural environment of a  
16 site or route of a bulk power supply facility.

17 (2) "Construction" does not include a change that is needed for the  
18 temporary use of a site or route for nonutility purposes or for use in securing geological  
19 data, including any boring that is necessary to ascertain foundation conditions.

20 (b) [An electric company may not begin construction in the State of a  
21 generating station or of an overhead transmission line that is designed to carry a  
22 voltage in excess of 69,000 volts, or exercise the right of condemnation in connection  
23 with the construction, unless a certificate of public convenience and necessity for the  
24 construction is first obtained from the Commission.]

25 (1) UNLESS A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY  
26 FOR THE CONSTRUCTION IS FIRST OBTAINED FROM THE COMMISSION, A PERSON  
27 MAY NOT BEGIN CONSTRUCTION IN THE STATE OF A GENERATING STATION.

28 (2) UNLESS A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY  
29 FOR THE CONSTRUCTION IS FIRST OBTAINED FROM THE COMMISSION, AND THE  
30 COMMISSION HAS FOUND THAT THE CAPACITY IS NECESSARY TO ENSURE A  
31 SUFFICIENT SUPPLY OF ELECTRICITY TO CUSTOMERS IN THE STATE, A PERSON MAY  
32 NOT EXERCISE A RIGHT OF CONDEMNATION IN CONNECTION WITH THE  
33 CONSTRUCTION OF A GENERATING STATION.

34 (3) UNLESS A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY  
35 FOR THE CONSTRUCTION IS FIRST OBTAINED FROM THE COMMISSION, AN  
36 ELECTRIC COMPANY MAY NOT BEGIN CONSTRUCTION OF AN OVERHEAD  
37 TRANSMISSION LINE THAT IS DESIGNED TO CARRY A VOLTAGE IN EXCESS OF 69,000  
38 VOLTS OR EXERCISE A RIGHT OF CONDEMNATION WITH THE CONSTRUCTION.

1       (c)     (1)     On receipt of an application for a certificate of public convenience and  
2 necessity under this section, the Commission shall provide notice to the Office of  
3 Planning and to all other interested persons.

4               (2)     The Office of Planning shall forward the application to each  
5 appropriate State unit and unit of local government for review, evaluation, and  
6 comment regarding the significance of the proposal to State, area-wide, and local  
7 plans or programs.

8       (d)     (1)     The Commission shall hold a public hearing on the application for a  
9 certificate of public convenience and necessity in each county and municipal  
10 corporation in which any portion of the construction of a generating station or of an  
11 overhead transmission line designed to carry a voltage in excess of 69,000 volts is  
12 proposed to be located.

13               (2)     The Commission shall hold the public hearing jointly with the  
14 governing body of the county or municipal corporation in which any portion of the  
15 construction of the generating station or overhead transmission line is proposed to be  
16 located, unless the governing body declines to participate in the hearing.

17               (3)     Once in each of the 2 successive weeks immediately before the hearing  
18 date, the Commission shall provide weekly notice of the public hearing by  
19 advertisement in a newspaper of general circulation in the county or municipal  
20 corporation affected by the application.

21               (4)     (i)     The Commission shall ensure presentation and  
22 recommendations from each interested State unit, and shall allow representatives of  
23 each State unit to sit during hearing of all parties.

24                       (ii)     The Commission shall allow each State unit 15 days after the  
25 conclusion of the hearing to modify the State unit's initial recommendations.

26       (e)     The Commission shall take final action on an application for a certificate of  
27 public convenience and necessity only after due consideration of:

28               (1)     the recommendation of the governing body of each county or  
29 municipal corporation in which any portion of the construction of the generating  
30 station or overhead transmission line is proposed to be located; AND

31               (2)     [the need to meet existing and future demand for electric service; and

32               (3)] the effect of the generating station or overhead transmission line on:

33                       (i)     the stability and reliability of the electric system;

34                       (ii)     economics;

35                       (iii)     esthetics;

36                       (iv)     historic sites;

1                   (v)       aviation safety as determined by the Maryland Aviation  
2 Administration and the administrator of the Federal Aviation Administration;

3                   (vi)       when applicable, air and water pollution; and

4                   (vii)       the availability of means for the required timely disposal of  
5 wastes produced by any generating station.

6       (f)       FOR THE CONSTRUCTION OF AN OVERHEAD TRANSMISSION LINE, IN  
7 ADDITION TO THE CONSIDERATIONS LISTED IN SUBSECTION (E) OF THIS SECTION,  
8 THE COMMISSION SHALL TAKE FINAL ACTION ON AN APPLICATION FOR A  
9 CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY ONLY AFTER DUE  
10 CONSIDERATION OF THE NEED TO MEET EXISTING AND FUTURE DEMAND FOR  
11 ELECTRIC SERVICE.

12       (G)       (1)       The Commission may not authorize, and an electric company may not  
13 undertake, the construction of an overhead transmission line that is aligned with and  
14 within 1 mile of either end of a public airport runway, unless:

15                   (i)       the Federal Aviation Administration determines that the  
16 construction of an overhead transmission line will not constitute a hazard to air  
17 navigation; and

18                   (ii)       the Maryland Aviation Administration concurs in that  
19 determination.

20                   (2)       A privately owned airport runway shall qualify as a public airport  
21 runway under this subsection only if the runway has been on file with the Federal  
22 Aviation Administration for at least 2 years as being open to the public without  
23 restriction.

24 7-211.

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

29       (b)       The Commission shall:

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

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

1           (3)     ENSURE THAT ADOPTION OF ELECTRIC CUSTOMER CHOICE UNDER  
2 SUBTITLE 5 OF THIS TITLE DOES NOT ADVERSELY IMPACT THE CONTINUATION OF  
3 COST EFFECTIVE ENERGY CONSERVATION AND EFFICIENCY PROGRAMS.

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

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

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

12          (2)     IN DETERMINING WHETHER A PROGRAM OR SERVICE ENCOURAGES  
13 AND PROMOTES THE EFFICIENT USE AND CONSERVATION OF ENERGY, THE  
14 COMMISSION SHALL CONSIDER, AMONG OTHER FACTORS:

15                 (I)     THE IMPACT ON JOBS;

16                 (II)    THE IMPACT ON THE ENVIRONMENT;

17                 (III)   THE IMPACT ON RATES; AND

18                 (IV)   THE COST-EFFECTIVENESS.

19                         SUBTITLE 5. ELECTRIC INDUSTRY RESTRUCTURING.

20                                 PART I. GENERAL PROVISIONS.

21 7-501.

22     (A)     IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
23 INDICATED.

24     (B)     "AFFILIATE" MEANS A PERSON THAT DIRECTLY OR INDIRECTLY, OR  
25 THROUGH ONE OR MORE INTERMEDIARIES, CONTROLS, IS CONTROLLED BY, OR IS  
26 UNDER COMMON CONTROL WITH, OR HAS, DIRECTLY OR INDIRECTLY, ANY  
27 ECONOMIC INTEREST IN ANOTHER PERSON.

28     (C)     (1)     "ASSIGNEE" MEANS A PERSON TO WHOM AN ELECTRIC COMPANY  
29 ASSIGNS OR TRANSFERS ALL OR A PORTION OF ITS INTEREST IN INTANGIBLE  
30 TRANSITION PROPERTY, OTHER THAN AS SECURITY.

31                 (2)     "ASSIGNEE" INCLUDES A PERSON TO WHOM ALL OR A PORTION OF  
32 THE INTEREST IS SUBSEQUENTLY ASSIGNED OR TRANSFERRED.

33     (D)     "COMPETITIVE TRANSITION CHARGE" MEANS A RATE, CHARGE, CREDIT,  
34 OR OTHER APPROPRIATE MECHANISM AUTHORIZED TO BE IMPOSED FOR THE

1 RECOVERY OF TRANSITION COSTS AS DETERMINED BY THE COMMISSION UNDER §  
2 7-513 OF THIS SUBTITLE.

3 (E) "CONSUMER" AND "CUSTOMER" EACH MEANS A RETAIL ELECTRIC  
4 CUSTOMER.

5 (F) "CUSTOMER CHOICE" MEANS THE RIGHT OF ELECTRICITY SUPPLIERS  
6 AND CUSTOMERS TO UTILIZE AND INTERCONNECT WITH THE ELECTRIC  
7 DISTRIBUTION SYSTEM ON A NONDISCRIMINATORY BASIS AT RATES, TERMS, AND  
8 CONDITIONS OF SERVICE COMPARABLE TO THE ELECTRIC COMPANY'S OWN USE OF  
9 THE SYSTEM TO DISTRIBUTE ELECTRICITY FROM A ELECTRICITY SUPPLIER TO A  
10 CUSTOMER, UNDER WHICH A CUSTOMER HAS THE OPPORTUNITY TO PURCHASE  
11 ELECTRICITY FROM THE CUSTOMER'S CHOICE OF LICENSED ELECTRICITY  
12 SUPPLIERS.

13 (G) "DISTRIBUTION TERRITORY" MEANS THE GEOGRAPHIC AREA IN WHICH AN  
14 ELECTRIC COMPANY WAS PROVIDING ELECTRIC TRANSMISSION OR DISTRIBUTION  
15 SERVICES TO CUSTOMERS ON JULY 1, 1999.

16 (H) "INDEPENDENT SYSTEM OPERATOR" MEANS AN ENTITY AUTHORIZED BY  
17 THE FEDERAL ENERGY REGULATORY COMMISSION TO CONTROL A REGIONAL  
18 TRANSMISSION GRID.

19 (I) "INITIAL IMPLEMENTATION DATE" MEANS:

20 (1) JULY 1, 2000, FOR INVESTOR-OWNED ELECTRIC COMPANIES;

21 (2) THE DATE OR DATES DETERMINED BY THE COMMISSION FOR  
22 ELECTRIC COOPERATIVES AND MUNICIPAL ELECTRIC UTILITIES; OR

23 (3) ANOTHER DATE OR DATES DETERMINED BY THE COMMISSION  
24 UNDER § 7-510(B) OF THIS SUBTITLE.

25 (J) "INTANGIBLE TRANSITION CHARGE" MEANS A NONBYPASSABLE RATE,  
26 CHARGE, OR SIMILAR APPROPRIATE MECHANISM FOR THE PROVISION,  
27 AVAILABILITY, OR TERMINATION OF ELECTRIC SERVICE, AUTHORIZED TO BE  
28 IMPOSED FOR THE RECOVERY OF QUALIFIED TRANSITION COSTS UNDER A  
29 QUALIFIED RATE ORDER OF THE COMMISSION.

30 (K) "INTANGIBLE TRANSITION PROPERTY" MEANS THE RIGHT, TITLE, AND  
31 INTEREST OF AN ELECTRIC COMPANY OR ASSIGNEE IN A QUALIFIED RATE ORDER,  
32 INCLUDING:

33 (1) ALL RIGHTS IN, TO, AND UNDER THE ORDER, INCLUDING RIGHTS TO  
34 REVENUES, COLLECTIONS, CLAIMS, PAYMENTS, MONEY, OR OTHER PROPERTY AND  
35 AMOUNTS ARISING FROM THE IMPOSITION OF INTANGIBLE TRANSITION CHARGES  
36 UNDER THE ORDER; AND

37 (2) IN THE HANDS OF AN ASSIGNEE;

1                    (I)     THE RIGHT TO REQUIRE THE ELECTRIC COMPANY TO PROVIDE  
2 ELECTRIC SERVICES, AND TO COLLECT AND REMIT THE INTANGIBLE TRANSITION  
3 CHARGES AUTHORIZED IN THE QUALIFIED RATE ORDER; BUT

4                    (II)    NOT THE RIGHT OR DUTY TO PROVIDE ELECTRIC SERVICES.

5     (L)     (1)     "PUBLIC PURPOSE PROGRAM" MEANS A PROGRAM IMPLEMENTED  
6 WITH THE INTENTION OF FURTHERING A PUBLIC PURPOSE.

7                    (2)     "PUBLIC PURPOSE PROGRAM" INCLUDES:

8                    (I)     A UNIVERSAL SERVICE PROGRAM;

9                    (II)    A PROGRAM ENCOURAGING RENEWABLE ENERGY RESOURCES;

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

12                   (IV)   A CONSUMER EDUCATION PROGRAM.

13     (M)     "QUALIFIED RATE ORDER" MEANS AN ORDER OF THE COMMISSION  
14 APPROVING ONE OR MORE INTANGIBLE TRANSITION CHARGES.

15     (N)     "STANDARD OFFER SERVICE" MEANS ELECTRIC SERVICE THAT AN  
16 ELECTRIC COMPANY MUST OFFER TO ITS CUSTOMERS UNDER § 7-510(C) OF THIS  
17 SUBTITLE.

18     (O)     "TRANSITION BOND" MEANS A BOND, DEBENTURE, NOTE, CERTIFICATE  
19 OF PARTICIPATION OR BENEFICIAL INTEREST, OR OTHER EVIDENCE OF  
20 INDEBTEDNESS OR OWNERSHIP, APPROVED IN A QUALIFIED RATE ORDER AND  
21 ISSUED UNDER AN EXECUTED TRUST INDENTURE OR OTHER AGREEMENT OF AN  
22 ELECTRIC COMPANY OR ASSIGNEE, AND WHICH IS SECURED BY, EVIDENCES  
23 OWNERSHIP INTEREST IN, OR IS PAYABLE FROM INTANGIBLE TRANSITION  
24 PROPERTY.

25     (P)     "TRANSITION COST" MEANS A COST, LIABILITY, OR INVESTMENT THAT:

26                   (1)     TRADITIONALLY WOULD HAVE BEEN OR WOULD BE RECOVERABLE  
27 UNDER RATE-OF-RETURN REGULATION, BUT WHICH MAY NOT BE RECOVERABLE IN  
28 A RESTRUCTURED ELECTRICITY SUPPLY MARKET; OR

29                   (2)     ARISES AS A RESULT OF ELECTRIC INDUSTRY RESTRUCTURING AND  
30 IS RELATED TO THE CREATION OF CUSTOMER CHOICE.

31     (Q)     (1)     "UNIVERSAL SERVICE PROGRAM" MEANS A PROGRAM THAT HELPS  
32 LOW-INCOME CUSTOMERS MAINTAIN ELECTRIC SERVICE.

33                   (2)     "UNIVERSAL SERVICE PROGRAM" INCLUDES CUSTOMER BILL  
34 ASSISTANCE AND PAYMENT PROGRAMS, TERMINATION OF SERVICE PROTECTION,  
35 AND POLICIES AND SERVICES THAT HELP LOW-INCOME CUSTOMERS TO REDUCE OR  
36 MANAGE ENERGY CONSUMPTION IN A COST-EFFECTIVE MANNER.

1 7-502. RESERVED.

2 7-503. RESERVED.

3 PART II. ELECTRIC INDUSTRY RESTRUCTURING ENABLED.

4 7-504.

5 THE GENERAL ASSEMBLY FINDS AND DECLARES THAT THE PURPOSE OF THIS  
6 SUBTITLE IS TO:

7 (1) ESTABLISH CUSTOMER CHOICE OF ELECTRICITY SUPPLY AND  
8 ELECTRICITY SUPPLY SERVICES;

9 (2) CREATE COMPETITIVE RETAIL ELECTRICITY SUPPLY AND  
10 ELECTRICITY SUPPLY SERVICES MARKETS;

11 (3) DEREGULATE THE GENERATION, SUPPLY, AND PRICING OF  
12 ELECTRICITY;

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

14 (5) ENSURE COMPLIANCE WITH FEDERAL AND STATE ENVIRONMENTAL  
15 STANDARDS.

16 7-505.

17 (A) (1) IN ASSESSING AND APPROVING EACH ELECTRIC COMPANY'S  
18 RESTRUCTURING PLAN, AND OVERSEEING THE TRANSITION PROCESS AND  
19 REGULATION OF THE RESTRUCTURED ELECTRIC INDUSTRY, THE COMMISSION  
20 SHALL PROVIDE THAT THE TRANSITION TO A COMPETITIVE ELECTRICITY SUPPLY  
21 AND ELECTRICITY SUPPLY SERVICES MARKET SHALL BE ORDERLY, MAINTAIN  
22 ELECTRIC SYSTEM RELIABILITY, AND ENSURE COMPLIANCE WITH FEDERAL AND  
23 STATE ENVIRONMENTAL REGULATIONS, BE FAIR TO CUSTOMERS, ELECTRIC  
24 COMPANY INVESTORS, CUSTOMERS OF MUNICIPAL ELECTRIC UTILITIES, ELECTRIC  
25 COMPANIES, AND ELECTRICITY SUPPLIERS, AND PROVIDE ECONOMIC BENEFITS TO  
26 ALL CUSTOMER CLASSES.

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

30 (B) (1) THE COMMISSION SHALL ISSUE THE ORDERS OR ADOPT THE  
31 REGULATIONS REQUIRED UNDER THIS SUBSECTION BEFORE THE  
32 IMPLEMENTATION OF CUSTOMER CHOICE.

33 (2) THE COMMISSION SHALL ORDER A UNIVERSAL SERVICE PROGRAM,  
34 TO BE MADE AVAILABLE ON A STATEWIDE BASIS, TO BENEFIT LOW-INCOME  
35 CUSTOMERS, IN ACCORDANCE WITH § 7-512.1 OF THIS SUBTITLE.

1           (3)     THE COMMISSION SHALL ORDER AN ELECTRIC COMPANY TO ADOPT  
2 POLICIES AND PRACTICES REASONABLY DESIGNED TO PREVENT:

3                     (I)     DISCRIMINATION AGAINST A PERSON, LOCALITY, OR  
4 PARTICULAR CLASS OF SERVICE OR GIVE UNDUE OR UNREASONABLE PREFERENCE  
5 IN FAVOR OF THE ELECTRIC COMPANY'S OWN ELECTRICITY SUPPLY, OTHER  
6 SERVICES, DIVISIONS, OR AFFILIATES, IF ANY; AND

7                     (II)    ANY OTHER FORMS OF SELF-DEALING OR PRACTICES THAT  
8 COULD RESULT IN NONCOMPETITIVE ELECTRICITY PRICES TO CUSTOMERS.

9           (4)     (I)     THE COMMISSION SHALL, BY REGULATION OR ORDER,  
10 REQUIRE EACH ELECTRIC COMPANY AND ELECTRICITY SUPPLIER TO PROVIDE  
11 ADEQUATE AND ACCURATE INFORMATION TO EACH CUSTOMER ON THE AVAILABLE  
12 ELECTRIC SERVICES OF THE ELECTRIC COMPANY OR ELECTRICITY SUPPLIER,  
13 INCLUDING DISCLOSURE, EVERY 6 MONTHS, OF A UNIFORM COMMON SET OF  
14 INFORMATION ABOUT:

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

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

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

25           (5)     (I)     THE COMMISSION SHALL, BY REGULATION OR ORDER,  
26 REQUIRE THE UNBUNDLING OF ELECTRIC COMPANY RATES, CHARGES, AND  
27 SERVICES INTO STANDARDIZED CATEGORIES DETERMINED BY THE COMMISSION.

28                     (II)    THE COMMISSION SHALL, BY REGULATION OR ORDER,  
29 REQUIRE THAT CUSTOMERS' BILLS FOR ELECTRICITY SERVICE INDICATE CHARGES  
30 FOR:

31                     1.     DISTRIBUTION AND TRANSMISSION;

32                     2.     TRANSITION CHARGE OR CREDIT;

33                     3.     UNIVERSAL SERVICE PROGRAM CHARGES;

34                     4.     CUSTOMER CHARGES;

35                     5.     TAXES; AND

36                     6.     OTHER CHARGES IDENTIFIED BY THE COMMISSION.



1           (6)     THE COMMISSION SHALL ISSUE ORDERS OR REGULATIONS TO  
2 PREVENT AN ELECTRIC COMPANY AND AN ELECTRICITY SUPPLIER FROM  
3 DISCLOSING A RETAIL ELECTRIC CUSTOMER'S BILLING, PAYMENT, AND CREDIT  
4 INFORMATION WITHOUT THE RETAIL ELECTRIC CUSTOMER'S CONSENT, EXCEPT AS  
5 ALLOWED BY THE COMMISSION FOR BILL COLLECTION OR CREDIT RATING  
6 REPORTING PURPOSES.

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

10          (8)     THE COMMISSION SHALL DETERMINE THE TERMS, CONDITIONS,  
11 AND RATES OF STANDARD OFFER SERVICE IN ACCORDANCE WITH:

12                   (I)     TITLE 4 OF THIS ARTICLE; OR

13                   (II)    AS APPLICABLE, § 7-510(C)(3)(II) OF THIS SUBTITLE.

14          (9)     IN CONNECTION WITH § 7-513 OF THIS SUBTITLE, THE COMMISSION  
15 MAY NOT REQUIRE AN ELECTRIC COMPANY TO DIVEST ITSELF OF A GENERATION  
16 ASSET OR PROHIBIT AN ELECTRIC COMPANY FROM DIVESTING ITSELF  
17 VOLUNTARILY OF A GENERATION ASSET.

18          (10)    (I)     ON OR BEFORE JULY 1, 2000, THE COMMISSION SHALL ISSUE  
19 ORDERS OR ADOPT REGULATIONS REASONABLY DESIGNED TO ENSURE THE  
20 CREATION OF COMPETITIVE ELECTRICITY SUPPLY AND ELECTRICITY SUPPLY  
21 SERVICES MARKETS, WITH APPROPRIATE CUSTOMER SAFEGUARDS.

22                   (II)    ON OR BEFORE JULY 1, 2000, THE COMMISSION SHALL  
23 REQUIRE:

24                           1.     AN APPROPRIATE CODE OF CONDUCT BETWEEN THE  
25 ELECTRIC COMPANY AND AN AFFILIATE PROVIDING ELECTRICITY SUPPLY AND  
26 ELECTRICITY SUPPLY SERVICES IN THE STATE;

27                           2.     ACCESS BY ELECTRICITY SUPPLIERS AND CUSTOMERS TO  
28 THE ELECTRIC COMPANY'S TRANSMISSION AND DISTRIBUTION SYSTEM ON A  
29 NONDISCRIMINATORY BASIS;

30                           3.     APPROPRIATE COMPLAINT AND ENFORCEMENT  
31 PROCEDURES; AND

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

35                   (III)    ON OR BEFORE JULY 1, 2000, THE COMMISSION SHALL  
36 REQUIRE, AMONG OTHER FACTORS, FUNCTIONAL, OPERATIONAL, STRUCTURAL, OR  
37 LEGAL SEPARATION BETWEEN THE ELECTRIC COMPANY'S REGULATED BUSINESSES  
38 AND ITS NONREGULATED BUSINESSES OR NONREGULATED AFFILIATES.

1           (11) NOTHING IN THIS TITLE MAY BE CONSTRUED AS PREVENTING THE  
2 APPLICATION OF STATE AND FEDERAL CONSUMER PROTECTION AND ANTITRUST  
3 LAWS TO ELECTRIC COMPANIES AND THEIR AFFILIATES, AND TO ELECTRICITY  
4 SUPPLIERS.

5           (12) THE COMMISSION, IN CONSULTATION WITH THE DEPARTMENT OF  
6 THE ENVIRONMENT, SHALL ADOPT APPROPRIATE MEASURES TO MAINTAIN  
7 ENVIRONMENTAL STANDARDS, ADAPT EXISTING PROGRAMS, AND DEVELOP NEW  
8 PROGRAMS AS APPROPRIATE TO ENSURE COMPLIANCE WITH FEDERAL AND STATE  
9 ENVIRONMENTAL PROTECTION STANDARDS.

10           (13) (I) AN ELECTRIC COMPANY SHALL COMPLY WITH ALL  
11 REQUIREMENTS OF THE COMMISSION IN CONDUCTING REGULATED OPERATIONS IN  
12 COMPLIANCE WITH THIS ARTICLE.

13           (II) THE COMMISSION SHALL REQUIRE EACH ELECTRIC COMPANY  
14 TO ADOPT A CODE OF CONDUCT TO BE APPROVED BY THE COMMISSION BY A DATE  
15 TO BE DETERMINED BY THE COMMISSION TO PREVENT REGULATED SERVICE  
16 CUSTOMERS FROM SUBSIDIZING THE SERVICES OF UNREGULATED BUSINESSES OR  
17 AFFILIATES OF THE ELECTRIC COMPANY.

18           (C) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, INCLUDING  
19 SUBSECTION (D) OF THIS SECTION, THE COMMISSION MAY REGULATE THE  
20 REGULATED SERVICES OF AN ELECTRIC COMPANY THROUGH ALTERNATIVE FORMS  
21 OF REGULATION.

22           (2) THE COMMISSION MAY ADOPT AN ALTERNATIVE FORM OF  
23 REGULATION UNDER THIS SECTION IF THE COMMISSION FINDS, AFTER NOTICE AND  
24 HEARING, THAT THE ALTERNATIVE FORM OF REGULATION:

25                   (I) PROTECTS CONSUMERS;

26                   (II) ENSURES THE QUALITY, AVAILABILITY, AND RELIABILITY OF  
27 REGULATED ELECTRIC SERVICES; AND

28                   (III) IS IN THE INTEREST OF THE PUBLIC, INCLUDING  
29 SHAREHOLDERS OF THE ELECTRIC COMPANY.

30           (3) ALTERNATIVE FORMS OF REGULATION MAY INCLUDE:

31                   (I) PRICE REGULATION, INCLUDING PRICE FREEZES OR CAPS;

32                   (II) REVENUE REGULATION;

33                   (III) RANGES OF AUTHORIZED RETURN;

34                   (IV) RATE OF RETURN;

35                   (V) CATEGORIES OF SERVICES; OR

36                   (VI) PRICE-INDEXING.

1 (D) (1) THE COMMISSION SHALL CAP, FOR 4 YEARS AFTER INITIAL  
2 IMPLEMENTATION OF CUSTOMER CHOICE IN THE ELECTRIC COMPANY'S  
3 DISTRIBUTION TERRITORY, THE TOTAL OF THE RATES OF AN ELECTRIC COMPANY  
4 CHARGED TO A RETAIL ELECTRIC CUSTOMER AT THE ACTUAL LEVEL OF THE RATES  
5 IN EFFECT OR AUTHORIZED BY THE COMMISSION ON THE DATE IMMEDIATELY  
6 PRECEDING THE INITIAL IMPLEMENTATION OF CUSTOMER CHOICE IN THE  
7 ELECTRIC COMPANY'S DISTRIBUTION TERRITORY.

8 (2) (1) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS  
9 PARAGRAPH, THE CAP REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION DOES  
10 NOT APPLY TO THE RECOVERY OF COSTS ADDED AFTER JANUARY 1, 2000, IN  
11 ACCORDANCE WITH § 7-512(C) OF THIS SUBTITLE.

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

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

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

18 3. COSTS FOR THE UNIVERSAL SERVICE PROGRAM  
19 ESTABLISHED UNDER § 7-512.1 OF THIS SUBTITLE.

20 (3) AS PART OF A SETTLEMENT, THE COMMISSION MAY APPROVE A CAP  
21 FOR A DIFFERENT TIME PERIOD OR AN ALTERNATIVE PRICE PROTECTION PLAN  
22 THAT THE COMMISSION DETERMINES IS EQUALLY PROTECTIVE OF RATEPAYERS.

23 (4) (1) 1. SUBJECT TO THE PROVISIONS OF PARAGRAPH (5) OF THIS  
24 SUBSECTION, THE COMMISSION SHALL REDUCE RESIDENTIAL RATES FOR EACH  
25 INVESTOR-OWNED ELECTRIC COMPANY BY AN AMOUNT BETWEEN 3% AND 7.5% OF  
26 BASE RATES, AS MEASURED ON JUNE 30, 1999.

27 2. THE REDUCTION REQUIRED UNDER SUB-SUBPARAGRAPH  
28 1 OF THIS SUBPARAGRAPH SHALL BEGIN ON THE INITIAL IMPLEMENTATION DATE  
29 AND REMAIN IN EFFECT FOR 4 YEARS.

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

33 (II) IN ACHIEVING THE RATE REDUCTION REQUIRED UNDER  
34 SUBPARAGRAPH (1) OF THIS PARAGRAPH, THE COMMISSION SHALL CONSIDER:

35 1. THE EXPIRATION OF ANY SURCHARGE;

36 2. CHANGES IN THE ELECTRIC COMPANY'S TAX LIABILITY;



1           (2)     THE COMMISSION SHALL ORDER EACH ELECTRIC COMPANY, IN  
2 CONJUNCTION WITH THE COMMISSION, THE OFFICE OF PEOPLE'S COUNSEL, AND  
3 OTHER PARTIES, TO IMPLEMENT A CONSUMER EDUCATION PROGRAM INFORMING  
4 CUSTOMERS OF CHANGES IN THE ELECTRIC INDUSTRY.

5           (3)     ANY BOARD OR GROUP CREATED UNDER PARAGRAPH (2) OF THIS  
6 SUBSECTION SHALL INCLUDE AT LEAST 2 MEMBERS OF THE PUBLIC.

7           (4)     (I)    AS PART OF THE CONSUMER EDUCATION PROGRAM UNDER  
8 THIS SUBSECTION, THE DIVISION OF CONSUMER PROTECTION OF THE OFFICE OF  
9 THE ATTORNEY GENERAL SHALL DEVELOP AND MAINTAIN INFORMATION  
10 REGARDING RATES AND SERVICES FOR SMALL COMMERCIAL AND RESIDENTIAL  
11 ELECTRIC CUSTOMERS OF LICENSED ELECTRICITY SUPPLIERS.

12                   (II)    THE INFORMATION REQUIRED IN THIS PARAGRAPH SHALL BE:

13                            1.     READILY UNDERSTANDABLE AND FORMATTED TO  
14 PROVIDE A COMPARISON OF RATES AND SERVICES AMONG ELECTRICITY SUPPLIERS  
15 OF SIMILAR SERVICES; AND

16                            2.     MADE AVAILABLE TO THE PUBLIC THROUGH THE  
17 ORDINARY MEANS OF PUBLICATION OF THE DIVISION OF CONSUMER PROTECTION  
18 OF THE OFFICE OF THE ATTORNEY GENERAL, INCLUDING POSTING ON THE  
19 INTERNET.

20           (5)     THIS SUBSECTION SHALL BE OF NO FORCE AND EFFECT AFTER  
21 JUNE 30, 2002.

22 7-506.

23           (A)     THE ELECTRIC COMPANY IN A DISTRIBUTION TERRITORY SHALL PROVIDE  
24 AND BE RESPONSIBLE FOR DISTRIBUTION SERVICES IN THE TERRITORY.

25           (B)     THE ELECTRIC COMPANY SHALL PROVIDE DISTRIBUTION SERVICES IN  
26 ITS DISTRIBUTION TERRITORY TO ALL CUSTOMERS AND ELECTRICITY SUPPLIERS  
27 ON RATES, TERMS OF ACCESS, AND CONDITIONS THAT ARE COMPARABLE TO THE  
28 ELECTRIC COMPANY'S OWN USE OF ITS DISTRIBUTION SYSTEM.

29           (C)     EACH ELECTRIC COMPANY SHALL MAINTAIN THE RELIABILITY OF ITS  
30 DISTRIBUTION SYSTEM IN ACCORDANCE WITH APPLICABLE ORDERS, TARIFFS, AND  
31 REGULATIONS OF THE COMMISSION.

32           (D)     THE ELECTRIC COMPANY SHALL CONNECT CUSTOMERS AND DELIVER  
33 ELECTRICITY ON BEHALF OF ELECTRICITY SUPPLIERS CONSISTENT WITH THE  
34 PROVISIONS OF THIS ARTICLE.

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

1 7-507.

2 (A) A PERSON, OTHER THAN AN ELECTRIC COMPANY PROVIDING STANDARD  
3 OFFER SERVICE UNDER § 7-510(C) OF THIS SUBTITLE OR A MUNICIPAL ELECTRIC  
4 UTILITY SERVING CUSTOMERS SOLELY IN ITS DISTRIBUTION TERRITORY, MAY NOT  
5 ENGAGE IN THE BUSINESS OF AN ELECTRICITY SUPPLIER IN THE STATE UNLESS  
6 THE PERSON HOLDS A LICENSE ISSUED BY THE COMMISSION.

7 (B) AN APPLICATION FOR AN ELECTRICITY SUPPLIER LICENSE SHALL:

8 (1) BE MADE TO THE COMMISSION IN WRITING ON A FORM ADOPTED BY  
9 THE COMMISSION;

10 (2) BE VERIFIED BY OATH OR AFFIRMATION; AND

11 (3) CONTAIN INFORMATION THAT THE COMMISSION REQUIRES,  
12 INCLUDING:

13 (I) PROOF OF TECHNICAL AND MANAGERIAL COMPETENCE;

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

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

21 (IV) PAYMENT OF THE APPLICABLE LICENSING FEE.

22 (C) THE COMMISSION SHALL, BY REGULATION OR ORDER:

23 (1) REQUIRE PROOF OF FINANCIAL INTEGRITY;

24 (2) REQUIRE A LICENSEE TO POST A BOND OR OTHER SIMILAR  
25 INSTRUMENT, IF, IN THE COMMISSION'S JUDGMENT, THE BOND OR SIMILAR  
26 INSTRUMENT IS NECESSARY TO INSURE AN ELECTRICITY SUPPLIER'S FINANCIAL  
27 INTEGRITY;

28 (3) REQUIRE A LICENSEE TO:

29 (I) PROVIDE PROOF THAT IT IS QUALIFIED TO DO BUSINESS IN  
30 THE STATE WITH THE DEPARTMENT OF ASSESSMENTS AND TAXATION; AND

31 (II) AGREE TO BE SUBJECT TO ALL APPLICABLE TAXES; AND

32 (4) ADOPT ANY OTHER REQUIREMENTS IT FINDS TO BE IN THE PUBLIC  
33 INTEREST, WHICH MAY INCLUDE DIFFERENT REQUIREMENTS FOR;

- 1                    (I)        ELECTRICITY SUPPLIERS THAT SERVE ONLY LARGE  
2 CUSTOMERS; AND
- 3                    (II)       THE DIFFERENT CATEGORIES OF ELECTRICITY SUPPLIERS.
- 4       (D)        A LICENSE ISSUED UNDER THIS SECTION MAY NOT BE TRANSFERRED  
5 WITHOUT PRIOR COMMISSION APPROVAL.
- 6       (E)        THE COMMISSION SHALL ADOPT REGULATIONS OR ISSUE ORDERS TO:
- 7                    (1)        PROTECT CONSUMERS, ELECTRIC COMPANIES, AND ELECTRICITY  
8 SUPPLIERS FROM ANTICOMPETITIVE AND ABUSIVE PRACTICES;
- 9                    (2)        REQUIRE EACH ELECTRICITY SUPPLIER TO PROVIDE, IN ADDITION  
10 TO THE REQUIREMENTS UNDER § 7-505(B)(5) OF THIS SUBTITLE, ADEQUATE AND  
11 ACCURATE CUSTOMER INFORMATION TO ENABLE CUSTOMERS TO MAKE INFORMED  
12 CHOICES REGARDING THE PURCHASE OF ANY ELECTRICITY SERVICES OFFERED BY  
13 THE ELECTRICITY SUPPLIER;
- 14                   (3)        ESTABLISH REASONABLE RESTRICTIONS ON TELEMARKETING;
- 15                   (4)        ESTABLISH PROCEDURES FOR CONTRACTING WITH CUSTOMERS;
- 16                   (5)        ESTABLISH REQUIREMENTS AND LIMITATIONS RELATING TO  
17 DEPOSITS, BILLING, COLLECTIONS, AND CONTRACT CANCELLATIONS;
- 18                   (6)        ESTABLISH PROVISIONS PROVIDING FOR THE REFERRAL OF A  
19 DELINQUENT ACCOUNT BY AN ELECTRICITY SUPPLIER TO THE STANDARD OFFER  
20 SERVICE UNDER § 7-510(C) OF THIS SUBTITLE; AND
- 21                   (7)        ESTABLISH PROCEDURES FOR DISPUTE RESOLUTION.
- 22       (F)        IN ACCORDANCE WITH REGULATIONS OR ORDERS OF THE COMMISSION,  
23 ELECTRICITY BILLS, FOR COMPETITIVE AND REGULATED ELECTRIC SERVICES,  
24 PROVIDED TO CONSUMERS MAY PROVIDE, IN ADDITION TO THE REQUIREMENTS OF §  
25 7-505(B)(5) OF THIS SUBTITLE AND SUBSECTION (E)(2) OF THIS SECTION, THE  
26 FOLLOWING INFORMATION:
- 27                   (1)        THE IDENTITY AND PHONE NUMBER OF THE ELECTRICITY SUPPLIER  
28 OF THE SERVICE;
- 29                   (2)        SUFFICIENT INFORMATION TO EVALUATE PRICES AND SERVICES;  
30 AND
- 31                   (3)        INFORMATION IDENTIFYING WHETHER THE PRICE IS REGULATED  
32 OR COMPETITIVE.
- 33       (G)        (1)        AN ELECTRICITY SUPPLIER OR ANY PERSON OR GOVERNMENTAL  
34 UNIT MAY NOT, WITHOUT FIRST OBTAINING THE CUSTOMER'S PERMISSION:

1                   (I)       MAKE ANY CHANGE IN THE ELECTRICITY SUPPLIER FOR A  
2 CUSTOMER; OR

3                   (II)       ADD A NEW CHARGE FOR A NEW OR EXISTING SERVICE OR  
4 OPTION.

5                   (2)       THE COMMISSION SHALL ADOPT REGULATIONS OR ISSUE ORDERS  
6 ESTABLISHING PROCEDURES TO PREVENT THE PRACTICES PROHIBITED UNDER  
7 PARAGRAPH (1) OF THIS SUBSECTION.

8       (H)       (1)       AN ELECTRICITY SUPPLIER MAY NOT DISCRIMINATE AGAINST ANY  
9 CUSTOMER BASED WHOLLY OR PARTLY ON RACE, COLOR, CREED, NATIONAL ORIGIN,  
10 OR SEX OF AN APPLICANT FOR SERVICE OR FOR ANY ARBITRARY, CAPRICIOUS, OR  
11 UNFAIRLY DISCRIMINATORY REASON.

12                  (2)       AN ELECTRICITY SUPPLIER MAY NOT REFUSE TO PROVIDE SERVICE  
13 TO A CUSTOMER EXCEPT BY THE APPLICATION OF STANDARDS THAT ARE  
14 REASONABLY RELATED TO THE ELECTRICITY SUPPLIER'S ECONOMIC AND BUSINESS  
15 PURPOSES.

16       (I)       AN ELECTRICITY SUPPLIER SHALL BE SUBJECT TO ALL APPLICABLE  
17 FEDERAL AND STATE ENVIRONMENTAL LAWS AND REGULATIONS.

18       (J)       AN ELECTRICITY SUPPLIER SHALL POST ON THE INTERNET  
19 INFORMATION THAT IS READILY UNDERSTANDABLE ABOUT ITS SERVICES AND  
20 RATES FOR SMALL COMMERCIAL AND RESIDENTIAL ELECTRIC CUSTOMERS.

21       (K)       (1)       THE COMMISSION MAY REVOKE OR SUSPEND THE LICENSE OF AN  
22 ELECTRICITY SUPPLIER, IMPOSE A CIVIL PENALTY OR OTHER REMEDY, ORDER A  
23 REFUND OR CREDIT TO A CUSTOMER, OR IMPOSE A MORATORIUM ON ADDING OR  
24 SOLICITING ADDITIONAL CUSTOMERS BY THE ELECTRICITY SUPPLIER, FOR JUST  
25 CAUSE ON THE COMMISSION'S OWN INVESTIGATION OR ON COMPLAINT OF THE  
26 OFFICE OF PEOPLE'S COUNSEL, THE ATTORNEY GENERAL, OR AN AFFECTED PARTY.

27                  (2)       A CIVIL PENALTY MAY BE IMPOSED IN ADDITION TO THE  
28 COMMISSION'S DECISION TO REVOKE, SUSPEND, OR IMPOSE A MORATORIUM.

29                  (3)       JUST CAUSE INCLUDES:

30                       (I)       INTENTIONALLY PROVIDING FALSE INFORMATION TO THE  
31 COMMISSION;

32                       (II)       SWITCHING, OR CAUSING TO BE SWITCHED, THE ELECTRICITY  
33 SUPPLY FOR A CUSTOMER WITHOUT FIRST OBTAINING THE CUSTOMER'S  
34 PERMISSION;

35                       (III)       FAILING TO PROVIDE ELECTRICITY FOR ITS CUSTOMERS;

36                       (IV)       COMMITTING FRAUD OR ENGAGING IN DECEPTIVE PRACTICES;



- 1                   (V)     Failing to maintain financial integrity;
- 2                   (VI)    Violating a commission regulation or order;
- 3                   (VII)   Failing to pay, collect, remit, or calculate  
4 accurately applicable state or local taxes;
- 5                   (VIII)   Violating a provision of this article or any other  
6 applicable consumer protection law of the state;
- 7                   (IX)     Conviction of a felony by the licensee or principal of  
8 the licensee or any crime involving fraud, theft, or deceit; and
- 9                   (X)     Suspension or revocation of a license by any state or  
10 federal authority.
- 11       (L)     (1)     An electricity supplier or person selling or offering to  
12 sell electricity in the state in violation of this section, after notice  
13 and an opportunity for a hearing, is subject to:
- 14                   (I)     A civil penalty of not more than \$10,000 for the  
15 violation; or
- 16                   (II)    License revocation or suspension.
- 17                   (2)     Each day a violation continues is a separate violation.
- 18                   (3)     The commission shall determine the amount of any civil  
19 penalty after considering:
- 20                   (I)     The number of previous violations of any provision of  
21 this article;
- 22                   (II)    The gravity of the current violation; and
- 23                   (III)   The good faith of the electricity supplier or person  
24 charged in attempting to achieve compliance after notification of the  
25 violation.
- 26       (M)     In connection with a consumer complaint or commission  
27 investigation under this section, an electricity supplier shall provide  
28 to the commission access to any accounts, books, papers, and documents  
29 which the commission considers necessary to resolve the matter at  
30 issue.
- 31       (N)     The commission may order the electricity supplier to cease  
32 adding or soliciting additional customers or to cease serving  
33 customers in the state.

1 (O) THE COMMISSION SHALL CONSULT WITH THE CONSUMER PROTECTION  
2 DIVISION OF THE OFFICE OF THE ATTORNEY GENERAL BEFORE ISSUING  
3 REGULATIONS DESIGNED TO PROTECT CONSUMERS.

4 (P) THE PEOPLE'S COUNSEL SHALL HAVE THE SAME AUTHORITY IN  
5 LICENSING, COMPLAINT, AND DISPUTE RESOLUTION PROCEEDINGS AS IT HAS IN  
6 TITLE 2 OF THIS ARTICLE.

7 (Q) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO AFFECT THE  
8 AUTHORITY OF THE DIVISION OF CONSUMER PROTECTION IN THE OFFICE OF THE  
9 ATTORNEY GENERAL TO ENFORCE VIOLATIONS OF TITLES 13 AND 14 OF THE  
10 COMMERCIAL LAW ARTICLE OR ANY OTHER APPLICABLE STATE LAW OR  
11 REGULATION IN CONNECTION WITH THE ACTIVITIES OF ELECTRICITY SUPPLIERS.

12 7-508.

13 (A) AN ELECTRIC COMPANY MAY TRANSFER ANY OF ITS GENERATION  
14 FACILITIES OR GENERATION ASSETS TO AN AFFILIATE.

15 (B) THE TRANSFER OF A GENERATION FACILITY OR GENERATION ASSET TO  
16 AN AFFILIATE MAY NOT AFFECT OR RESTRICT THE COMMISSION'S DETERMINATION  
17 OF THE VALUE OF A GENERATION ASSET FOR PURPOSES OF TRANSITION COSTS OR  
18 BENEFITS UNDER § 7-513(B) OF THIS SUBTITLE.

19 (C) (1) THIS SUBSECTION IS IN EFFECT UNTIL THE LATER OF THE DATE  
20 WHEN:

21 (I) ALL CUSTOMERS OF THE ELECTRIC COMPANY ARE ELIGIBLE  
22 FOR CUSTOMER CHOICE UNDER § 7-510 OF THIS SUBTITLE; AND

23 (II) THE AMOUNT OF TRANSITION COSTS OR BENEFITS ARISING  
24 FROM THE GENERATION TO BE TRANSFERRED HAS BEEN FINALLY DETERMINED BY  
25 THE COMMISSION UNDER § 7-513(A) THROUGH (C) OF THIS SUBTITLE.

26 (2) THE COMMISSION MAY REVIEW AND APPROVE THE TRANSFER FOR  
27 THE SOLE PURPOSE OF DETERMINING:

28 (I) THAT THE APPROPRIATE ACCOUNTING HAS BEEN FOLLOWED;

29 (II) THAT THE TRANSFER DOES NOT OR WOULD NOT RESULT IN AN  
30 UNDUE ADVERSE EFFECT ON THE PROPER FUNCTIONING OF A COMPETITIVE  
31 ELECTRICITY SUPPLY MARKET; AND

32 (III) THE APPROPRIATE TRANSFER PRICE AND RATE MAKING  
33 TREATMENT.

34 (3) THE COMMISSION SHALL ACT ON THE TRANSFER OF A GENERATION  
35 FACILITY OR GENERATION ASSET UNDER THIS SUBSECTION WITHIN 180 DAYS  
36 AFTER THE ELECTRIC COMPANY FILES ITS PROPOSED TRANSFER APPLICATION AND  
37 ANY REQUIRED SUPPORTING INFORMATION.

1 7-509.

2 (A) (1) ON AND AFTER THE INITIAL IMPLEMENTATION DATE, THE  
3 GENERATION, SUPPLY, AND SALE OF ELECTRICITY, INCLUDING ALL RELATED  
4 FACILITIES AND ASSETS, MAY NOT BE REGULATED AS AN ELECTRIC COMPANY  
5 SERVICE OR FUNCTION EXCEPT TO:

6 (I) ESTABLISH THE PRICE FOR STANDARD OFFER SERVICE UNDER  
7 § 7-510(C) OF THIS SUBTITLE; AND

8 (II) REVIEW AND APPROVE TRANSFERS OF GENERATION ASSETS  
9 UNDER § 7-508 OF THIS SUBTITLE.

10 (2) THIS SUBSECTION DOES NOT APPLY TO:

11 (I) REGULATION OF AN ELECTRICITY SUPPLIER UNDER § 7-507 OF  
12 THIS SUBTITLE; OR

13 (II) THE COSTS OF NUCLEAR GENERATION FACILITIES OR  
14 PURCHASED POWER CONTRACTS THAT, AS PART OF A SETTLEMENT APPROVED BY  
15 THE COMMISSION, REMAIN REGULATED OR ARE RECOVERED THROUGH THE  
16 DISTRIBUTION FUNCTION.

17 (B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THIS SECTION  
18 DOES NOT APPLY TO AN INVESTOR-OWNED ELECTRIC COMPANY UNTIL THE  
19 ELECTRIC COMPANY;

20 (I) TRANSFERS GENERATION FACILITIES AND GENERATION  
21 ASSETS TO AN AFFILIATE OF THE ELECTRIC COMPANY, AND THE AFFILIATE  
22 OPERATES THE FACILITIES AND ASSETS; OR

23 (II) SELLS THE GENERATION FACILITIES AND GENERATION  
24 ASSETS TO A NONAFFILIATE.

25 (2) (I) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (1) OF  
26 THIS SUBSECTION, THIS SECTION APPLIES TO AN INVESTOR-OWNED ELECTRIC  
27 COMPANY THAT DOES NOT TRANSFER ITS GENERATION FACILITIES AND  
28 GENERATION ASSETS TO AN AFFILIATE OR SELL ITS GENERATION FACILITIES AND  
29 GENERATION ASSETS TO A NONAFFILIATE IF, ON JANUARY 1, 1999, THE RETAIL PEAK  
30 LOAD OF THE INVESTOR-OWNED ELECTRIC COMPANY IN THE STATE WAS LESS THAN  
31 1,000 MEGAWATTS.

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

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

1 2. SELL THE GENERATION FACILITIES AND GENERATION  
2 ASSETS TO A NONAFFILIATE.

3 (C) THE EXCEPTIONS IN SUBSECTION(A)(1) OF THIS SECTION AS TO ANY  
4 ELECTRIC COMPANY SHALL REMAIN IN EFFECT UNTIL THE LATER OF:

5 (1) THE DATE WHEN ALL CUSTOMERS OF THAT ELECTRIC COMPANY  
6 ARE ELIGIBLE FOR CUSTOMER CHOICE UNDER § 7-510 OF THIS SUBTITLE;

7 (2) THE DATE WHEN THE AMOUNT OF TRANSITION COSTS OR BENEFITS  
8 ARISING FROM THE GENERATION THAT IS DEREGULATED HAS BEEN FINALLY  
9 DETERMINED BY THE COMMISSION UNDER § 7-513(A) THROUGH (C) OF THIS  
10 SUBTITLE; OR

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

14 7-510.

15 (A) (1) SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE PHASED  
16 IMPLEMENTATION OF CUSTOMER CHOICE SHALL BE IMPLEMENTED AS FOLLOWS:

17 (I) ON JULY 1, 2000, ONE-THIRD OF THE RESIDENTIAL CLASS IN  
18 THE STATE OF EACH ELECTRIC COMPANY SHALL HAVE THE OPPORTUNITY FOR  
19 CUSTOMER CHOICE;

20 (II) ON JANUARY 1, 2001, THE ENTIRE INDUSTRIAL CLASS AND THE  
21 ENTIRE COMMERCIAL CLASS IN THE STATE OF EACH ELECTRIC COMPANY SHALL  
22 HAVE THE OPPORTUNITY FOR CUSTOMER CHOICE;

23 (III) ON JULY 1, 2001, TWO-THIRDS OF THE RESIDENTIAL CLASS IN  
24 THE STATE OF EACH ELECTRIC COMPANY SHALL HAVE THE OPPORTUNITY FOR  
25 CUSTOMER CHOICE;

26 (IV) ON JULY 1, 2002, ALL CUSTOMERS OF EACH ELECTRIC  
27 COMPANY SHALL HAVE THE OPPORTUNITY FOR CUSTOMER CHOICE; AND

28 (V) BY JULY 1, 2003, UNDER A SEPARATE SCHEDULE ADOPTED BY  
29 THE COMMISSION, ALL CUSTOMERS OF EACH ELECTRIC COOPERATIVE SHALL HAVE  
30 THE OPPORTUNITY FOR CUSTOMER CHOICE.

31 (2) (I) IN ACCORDANCE WITH THIS PARAGRAPH, THE COMMISSION  
32 MAY ADOPT A SEPARATE SCHEDULE FOR MUNICIPAL ELECTRIC UTILITIES FOR THE  
33 IMPLEMENTATION OF CUSTOMER CHOICE.

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

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

4 (IV) THE COMMISSION MAY APPROVE EACH MUNICIPAL ELECTRIC  
5 UTILITY PLAN AND SCHEDULE AFTER CONSIDERING THE FEATURES THAT  
6 DISTINGUISH THE MUNICIPAL ELECTRIC UTILITY FROM OTHER ELECTRIC  
7 COMPANIES.

8 (V) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO REQUIRE  
9 THE FUNCTIONAL, OPERATIONAL, STRUCTURAL, OR LEGAL SEPARATION OF THE  
10 REGULATED AND NONREGULATED OPERATIONS OF THE MUNICIPAL ELECTRIC  
11 UTILITY.

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

16 (I) IF THE SERVICE TERRITORY OF THE MUNICIPAL ELECTRIC  
17 UTILITY IS AVAILABLE FOR CUSTOMER CHOICE, ITS EXPERIENCE, THROUGH JULY 1,  
18 2003, WITH THE TRANSITION TO CUSTOMER CHOICE; OR

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

22 (4) IF A MUNICIPAL ELECTRIC UTILITY SERVES CUSTOMERS OUTSIDE  
23 ITS DISTRIBUTION TERRITORY, ELECTRICITY SUPPLIERS LICENSED UNDER § 7-507  
24 OF THIS SUBTITLE MAY SERVE THE CUSTOMERS IN THE DISTRIBUTION TERRITORY  
25 OF THE MUNICIPAL ELECTRIC UTILITY.

26 (B) FOR GOOD CAUSE SHOWN AND IF THE COMMISSION FINDS THE ACTION  
27 TO BE IN THE PUBLIC INTEREST, THE COMMISSION MAY:

28 (1) ACCELERATE OR DELAY THE INITIAL IMPLEMENTATION DATE OF  
29 JULY 1, 2000 BY UP TO 3 MONTHS; OR

30 (2) ACCELERATE ANY OF THE OTHER IMPLEMENTATION DATES AND  
31 PHASE-IN PERCENTAGES IN SUBSECTION (A) OF THIS SECTION.

32 (C) (1) BEGINNING ON THE INITIAL IMPLEMENTATION DATE, AN ELECTRIC  
33 COMPANY'S OBLIGATION TO PROVIDE ELECTRICITY SUPPLY AND ELECTRICITY  
34 SUPPLY SERVICE IS STATED BY THIS SUBSECTION.

35 (2) ELECTRICITY SUPPLY PURCHASED FROM A CUSTOMER'S ELECTRIC  
36 COMPANY IS KNOWN AS STANDARD OFFER SERVICE. A CUSTOMER IS CONSIDERED  
37 TO HAVE CHOSEN THE STANDARD OFFER SERVICE IF THE CUSTOMER:

1 (I) IS NOT ALLOWED TO CHOOSE AN ELECTRICITY SUPPLIER  
2 UNDER THE PHASE IN OF CUSTOMER CHOICE IN SUBSECTION (A) OF THIS SECTION;

3 (II) CONTRACTS FOR ELECTRICITY WITH AN ELECTRICITY  
4 SUPPLIER AND IT IS NOT DELIVERED;

5 (III) CANNOT ARRANGE FOR ELECTRICITY FROM AN ELECTRICITY  
6 SUPPLIER;

7 (IV) DOES NOT CHOOSE AN ELECTRICITY SUPPLIER;

8 (V) CHOOSES THE STANDARD OFFER SERVICE; OR

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

12 (3) ANY OBLIGATION OF AN ELECTRIC COMPANY TO PROVIDE  
13 STANDARD OFFER SERVICE SHALL CEASE ON JULY 1, 2003, EXCEPT THAT:

14 (I) ELECTRIC COOPERATIVES AND MUNICIPAL ELECTRIC  
15 UTILITIES MAY CHOOSE TO CONTINUE PROVIDING STANDARD OFFER SERVICE IN  
16 THEIR RESPECTIVE DISTRIBUTION TERRITORIES, AND MAY CEASE OFFERING THAT  
17 SERVICE AFTER NOTIFYING THE COMMISSION AT LEAST 12 MONTHS IN ADVANCE;  
18 AND

19 (II) 1. IF THE COMMISSION FINDS THAT THE ELECTRICITY  
20 SUPPLY MARKET IS NOT COMPETITIVE OR THAT NO ACCEPTABLE COMPETITIVE  
21 PROPOSAL HAS BEEN RECEIVED TO SUPPLY ELECTRICITY TO THOSE CUSTOMERS  
22 DESCRIBED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE COMMISSION SHALL  
23 EXTEND THE OBLIGATION TO PROVIDE STANDARD OFFER SERVICE TO RESIDENTIAL  
24 AND SMALL COMMERCIAL CUSTOMERS AT A MARKET PRICE THAT PERMITS  
25 RECOVERY OF THE VERIFIABLE, PRUDENTLY INCURRED COSTS TO PROCURE OR  
26 PRODUCE THE ELECTRICITY PLUS A REASONABLE RETURN.

27 2. THE COMMISSION SHALL REEXAMINE THE FINDING  
28 MADE UNDER THIS SUBPARAGRAPH AT LEAST ANNUALLY.

29 (4) ON OR BEFORE JULY 1, 2001, THE COMMISSION SHALL ADOPT  
30 REGULATIONS OR ISSUE ORDERS TO ESTABLISH PROCEDURES FOR THE  
31 COMPETITIVE SELECTION OF ELECTRICITY SUPPLIERS, INCLUDING AN AFFILIATE  
32 OF AN ELECTRIC COMPANY, TO PROVIDE STANDARD OFFER SERVICE TO CUSTOMERS  
33 OF ELECTRIC COMPANIES UNDER PARAGRAPH (2) OF THIS SUBSECTION, EXCEPT FOR  
34 CUSTOMERS OF ELECTRIC COOPERATIVES AND MUNICIPAL ELECTRIC UTILITIES.  
35 UNLESS DELAYED BY THE COMMISSION, THE COMPETITIVE SELECTION SHALL TAKE  
36 EFFECT NO LATER THAN JULY 1, 2003.

37 (5) AN ELECTRIC COMPANY MAY PROCURE THE ELECTRICITY NEEDED  
38 TO MEET ITS STANDARD OFFER SERVICE ELECTRICITY SUPPLY OBLIGATION FROM  
39 ANY ELECTRICITY SUPPLIER, INCLUDING AN AFFILIATE OF THE ELECTRIC COMPANY.

1 (D) NOTWITHSTANDING THE DATES SET FORTH IN THIS SECTION OR ANY  
2 OTHER LAW, CUSTOMER CHOICE MAY NOT COMMENCE UNTIL LEGISLATION IS  
3 ENACTED BY THE GENERAL ASSEMBLY TO RESTRUCTURE MARYLAND TAXES TO  
4 ADDRESS THE STATE AND LOCAL TAX IMPLICATIONS OF RESTRUCTURING THE  
5 ELECTRIC UTILITY INDUSTRY.

6 (E) THE COMMISSION SHALL, BY REGULATION OR ORDER, ADOPT  
7 PROCEDURES TO IMPLEMENT THIS SECTION, INCLUDING THE ALLOCATION OF ANY  
8 UNUSED OPPORTUNITY FOR CUSTOMER CHOICE AMONG CUSTOMER CLASSES.

9 (F) A COUNTY OR MUNICIPAL CORPORATION MAY NOT ACT AS AN  
10 AGGREGATOR UNLESS THE COMMISSION DETERMINES THERE IS NOT SUFFICIENT  
11 COMPETITION WITHIN THE BOUNDARIES OF THE COUNTY OR MUNICIPAL  
12 CORPORATION.

13 7-511.

14 (A) EXCEPT FOR ELECTRIC COOPERATIVES AND MUNICIPAL ELECTRIC  
15 UTILITIES:

16 (1) COMPETITIVE BILLING SHALL BEGIN ON JULY 1, 2000;

17 (2) COMPETITIVE METERING FOR LARGE CUSTOMERS SHALL BEGIN ON  
18 JANUARY 1, 2002; AND

19 (3) COMPETITIVE METERING FOR ALL OTHER CUSTOMERS SHALL  
20 BEGIN ON APRIL 1, 2002, OR EARLIER IF REQUESTED BY THE ELECTRIC COMPANY.

21 (B) THE COMMISSION SHALL ADOPT REGULATIONS OR ISSUE ORDERS TO  
22 IMPLEMENT THIS SECTION.

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

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

30 (3) (1) A LOCAL JURISDICTION MAY REQUIRE AN APPLICANT OR  
31 LICENSEE TO:

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

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

1                                 3.     HAVE A RESIDENT AGENT IN THE STATE.

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

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

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

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

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

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

18 7-512.

19         (A)    THIS SECTION AND § 7-513 OF THIS SUBTITLE APPLY TO AN ENTITY THAT  
20 WAS REGULATED AS AN ELECTRIC COMPANY ON JUNE 30, 1999, WHETHER OR NOT  
21 THE ENTITY OR ANY OF ITS BUSINESSES, SERVICES, OR ASSETS CONTINUES TO BE  
22 REGULATED UNDER THIS ARTICLE AFTER THAT DATE.

23         (B)    AN ELECTRIC COMPANY MAY RECOVER COSTS UNDER THIS SECTION TO  
24 THE EXTENT THAT THE COMMISSION FINDS COSTS TO BE JUST AND REASONABLE.

25         (C)    (1)    AN ELECTRIC COMPANY SHALL BE PROVIDED A FAIR OPPORTUNITY  
26 TO RECOVER FULLY ALL COSTS THAT HAVE BEEN OR WILL BE INCURRED BY THE  
27 ELECTRIC COMPANY UNDER PUBLIC PURPOSE PROGRAMS ESTABLISHED BY LAW OR  
28 ORDERED BY THE COMMISSION.

29                                (2)    (1)    EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION,  
30 THE COSTS SUBJECT TO THIS SUBSECTION SHALL BE FUNDED BY A SURCHARGE OR  
31 OTHER COST RECOVERY MECHANISM COLLECTED ON A STATEWIDE BASIS THAT:

32                                       1.     FULLY RECOVERS FROM CUSTOMERS THE COSTS OF THE  
33 PLANS AND PROGRAMS; AND

34                                       2.     SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,  
35 WITH RESPECT TO ANY OF THESE COSTS NOT INCLUDED IN RATES ON JANUARY 1,  
36 2000, IS NOT SUBJECT TO ANY OTHERWISE APPLICABLE CAP.



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

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

8 7-512.1.

9 (A) (1) THE COMMISSION SHALL ESTABLISH A UNIVERSAL SERVICE  
10 PROGRAM TO ASSIST ELECTRIC CUSTOMERS WITH ANNUAL INCOMES AT OR BELOW  
11 150% OF THE FEDERAL POVERTY LEVEL.

12 (2) THE DEPARTMENT OF HUMAN RESOURCES SHALL BE RESPONSIBLE  
13 FOR ADMINISTERING THE UNIVERSAL SERVICE PROGRAM THROUGH THE  
14 MARYLAND ENERGY ASSISTANCE PROGRAM.

15 (3) THE DEPARTMENT OF HUMAN RESOURCES MAY, WITH INPUT FROM  
16 A PANEL OR ROUNDTABLE OF INTERESTED PARTIES, CONTRACT WITH A FOR-PROFIT  
17 OR A NONPROFIT MARYLAND CORPORATION EXISTING AS OF JULY 1, 1999 TO ASSIST  
18 IN ADMINISTERING THE UNIVERSAL SERVICE PROGRAM.

19 (4) THE COMMISSION SHALL HAVE OVERSIGHT RESPONSIBILITY FOR  
20 THE UNIVERSAL SERVICE PROGRAM.

21 (5) THE COMPONENTS OF THE UNIVERSAL SERVICE PROGRAM SHALL  
22 INCLUDE:

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

25 (II) LOW-INCOME WEATHERIZATION; AND

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

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

31 (II) IN THE FIRST 6 MONTHS AFTER THE INITIAL  
32 IMPLEMENTATION DATE, THE COMMISSION SHALL CONSIDER ADJUSTMENTS TO  
33 THE CHARGES COLLECTED FOR THE UNIVERSAL SERVICE PROGRAM FOR PERSONS  
34 THAT ARE NOT ELIGIBLE FOR CUSTOMER CHOICE.

35 (2) THE COMMISSION SHALL DETERMINE A FAIR AND EQUITABLE  
36 ALLOCATION FOR COLLECTING THE CHARGES AMONG ALL CUSTOMER CLASSES  
37 PURSUANT TO SUBSECTION (D) OF THIS SECTION.

1           (3)     ANY UNEXPENDED UNIVERSAL SERVICE PROGRAM FUNDS  
2 RETURNED TO CUSTOMERS UNDER SUBSECTION (H) OF THIS SECTION SHALL BE  
3 RETURNED TO CUSTOMER CLASSES IN THE SAME PROPORTIONS AS THEY WERE  
4 COLLECTED.

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

7           (5)     THE COMMISSION SHALL DETERMINE THE ALLOCATION OF THE  
8 UNIVERSAL SERVICE CHARGE AMONG THE GENERATION, TRANSMISSION, AND  
9 DISTRIBUTION RATE COMPONENTS OF ALL CLASSES.

10          (6)     THE COMMISSION MAY NOT ASSESS THE UNIVERSAL SERVICE  
11 SURCHARGE ON A PER KILOWATT-HOUR BASIS.

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

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

19           (2)     FOR BILL ASSISTANCE:

20           (I)     THE TOTAL AMOUNT OF NEED, AS DETERMINED BY THE  
21 COMMISSION, FOR ELECTRIC CUSTOMERS WITH ANNUAL INCOMES AT OR BELOW  
22 150% OF THE FEDERAL POVERTY LEVEL AND THE BASIS FOR THIS DETERMINATION;  
23 AND

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

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

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

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

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

4     (D)     THE TOTAL AMOUNT OF FUNDS TO BE COLLECTED FOR THE UNIVERSAL  
5 SERVICE PROGRAM IN EACH OF THE 3 YEARS FOLLOWING THE INITIAL  
6 IMPLEMENTATION DATE SHALL BE \$34,000,000, ALLOCATED IN THE FOLLOWING  
7 MANNER:

8           (1)     \$24.4 MILLION SHALL BE COLLECTED FROM THE INDUSTRIAL AND  
9 COMMERCIAL CLASSES; AND

10          (2)     \$9.6 MILLION SHALL BE COLLECTED FROM THE RESIDENTIAL CLASS.

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

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

16                   (1)     INFORMATION RELATED TO THE FUNDING FOR THE FIRST 3  
17 YEARS;

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

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

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

28     (G)     NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, FOR THE 3  
29 YEARS IMMEDIATELY FOLLOWING THE INITIAL IMPLEMENTATION DATE,  
30 ELECTRICITY SUPPLIERS AND ELECTRIC COMPANIES MAY NOT TERMINATE, FOR AN  
31 ARREARAGE BALANCE DUE ON THE INITIAL IMPLEMENTATION DATE, THE SUPPLY  
32 OF ELECTRICITY TO A CUSTOMER WHO RECEIVES ASSISTANCE UNDER THE  
33 UNIVERSAL SERVICE PROGRAM UNDER THIS SECTION.

34     (H)     (1)     IN THIS SUBSECTION, "FUND" MEANS THE UNIVERSAL SERVICE  
35 PROGRAM FUND.

36          (2)     THERE IS A UNIVERSAL SERVICE PROGRAM FUND.

1           (3)    (1)    1.    THE COMPTROLLER SHALL COLLECT THE REVENUE  
2 COLLECTED BY ELECTRIC COMPANIES UNDER SUBSECTION (B) OF THIS SECTION  
3 AND PLACE THE REVENUE INTO THE FUND.

4                           2.    THE GENERAL ASSEMBLY MAY APPROPRIATE FUNDS  
5 SUPPLEMENTAL TO THE FUNDS COLLECTED UNDER SUB-SUBPARAGRAPH 1 OF THIS  
6 SUBPARAGRAPH.

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

9                   (III)   THE PURPOSE OF THE FUND IS TO ASSIST ELECTRIC  
10 CUSTOMERS AS PROVIDED IN SUBSECTION (A)(1) OF THIS SECTION.

11           (4)    THE DEPARTMENT OF HUMAN RESOURCES, WITH OVERSIGHT BY  
12 THE COMMISSION, SHALL DISBURSE THE FUNDS IN ACCORDANCE WITH THE  
13 PROVISIONS OF THIS SECTION.

14           (5)    IN ANY YEAR WHEN THERE ARE UNEXPENDED FUNDS, THOSE  
15 FUNDS SHALL BE RETURNED TO THE CUSTOMER CLASSES PROPORTIONATE TO HOW  
16 THE CUSTOMER CLASSES PAID INTO THE FUND.

17 7-513.

18   (A)   (1)    IN ACCORDANCE WITH THIS SUBSECTION, AN ELECTRIC COMPANY  
19 SHALL BE PROVIDED A FAIR OPPORTUNITY TO RECOVER ALL OF ITS PRUDENTLY  
20 INCURRED AND VERIFIABLE NET TRANSITION COSTS, SUBJECT TO FULL  
21 MITIGATION, FOLLOWING THE COMMISSION'S DETERMINATION UNDER SUBSECTION  
22 (B) OF THIS SECTION.

23           (2)    A COMPETITIVE TRANSITION CHARGE, OR OTHER APPROPRIATE  
24 MECHANISM THAT THE COMMISSION DETERMINES, MAY BE INCLUDED FOR  
25 CUSTOMERS WHO ACCESS THE TRANSMISSION OR DISTRIBUTION SYSTEM OF THE  
26 ELECTRIC COMPANY IN WHOSE DISTRIBUTION TERRITORY THE CUSTOMER IS  
27 LOCATED. THE COSTS AUTHORIZED BY THE COMMISSION TO BE RECOVERED SHALL  
28 BE ALLOCATED TO CUSTOMER CLASSES IN A MANNER THAT, AS NEARLY AS  
29 REASONABLY POSSIBLE, DOES NOT EXCEED THE COST OF PROVIDING THE SERVICE  
30 TO THOSE CLASSES OF CUSTOMERS, AVOIDING WHERE REASONABLY POSSIBLE ANY  
31 INTERCLASS OR INTRAClass CROSS SUBSIDY.

32           (3)    (1)    THE COMPETITIVE TRANSITION CHARGE MAY BE INCLUDED ON  
33 BILLS TO CUSTOMERS FOR A PERIOD DETERMINED BY THE COMMISSION.

34                   (II)   THE COMMISSION MAY ESTABLISH RECOVERY PERIODS OF  
35 DIFFERENT LENGTHS FOR EACH ELECTRIC COMPANY AND FOR DIFFERENT  
36 CATEGORIES OF TRANSITION COSTS.

37           (4)    A COMPETITIVE TRANSITION CHARGE, OR OTHER APPROPRIATE  
38 MECHANISM DETERMINED BY THE COMMISSION, MAY NOT APPLY TO ANY ON-SITE  
39 GENERATED ELECTRICITY TO THE EXTENT OF:

1                    (I)        THE EXISTING FACILITIES' INSTALLED GENERATING CAPACITY  
2 AS OF JANUARY 1, 1999;

3                    (II)       THE GENERATING CAPACITY OF AN EXISTING FACILITY TO BE  
4 INSTALLED UNDER A LEGALLY BINDING CONTRACT:

5                            1.       EXECUTED ON OR BEFORE JANUARY 1, 1999; OR

6                            2.       EXECUTED ON OR BEFORE SEPTEMBER 29, 1999, IF THE  
7 COMMISSION, ON A CASE BY CASE REVIEW OF THE EVIDENCE, DETERMINES THAT  
8 NEGOTIATIONS IN GOOD FAITH CONCERNING THE CONTRACT WERE ONGOING AS OF  
9 JANUARY 1, 1999; OR

10                   (III)       FOR A FACILITY WITH A CAPACITY OF 500 KILOWATTS OR LESS:

11                            1.       THE FIRST 80 MEGAWATTS OF THE AGGREGATE  
12 STATEWIDE GENERATING CAPACITY OF ON-SITE GENERATING FACILITIES;

13                            2.       THE GENERATING CAPACITY OF THE FACILITY IF THE  
14 FACILITY:

15                            A.       IS INSTALLED BETWEEN JANUARY 1, 2000 AND DECEMBER  
16 31, 2003;

17                            B.       DERIVES ELECTRICITY FROM FUEL CELLS,  
18 PHOTOVOLTAICS, WIND MACHINES, OR MICROTURBINES; AND

19                            C.       HAS AN ENERGY CONVERSION EFFICIENCY GREATER  
20 THAN 40%; OR

21                            3.       THE GENERATING CAPACITY OF THE FACILITY IF THE  
22 FACILITY:

23                            A.       IS INSTALLED AFTER JANUARY 1, 2004;

24                            B.       DERIVES ELECTRICITY FROM FUEL CELLS,  
25 PHOTOVOLTAICS, WIND MACHINES, OR MICROTURBINES; AND

26                            C.       HAS AN ENERGY CONVERSION EFFICIENCY GREATER  
27 THAN 50%.

28       (B)       THE COMMISSION SHALL DETERMINE THE TRANSITION COSTS AND THE  
29 AMOUNTS OF THE TRANSITION COSTS THAT AN ELECTRIC COMPANY SHALL BE  
30 PROVIDED AN OPPORTUNITY TO RECOVER UNDER ITS RESTRUCTURING PLAN  
31 THROUGH THE COMPETITIVE TRANSITION CHARGE OR OTHER APPROPRIATE  
32 MECHANISM.

33       (C)       (1)       AFTER JULY 1, 1999, AN ELECTRIC COMPANY MAY APPLY TO THE  
34 COMMISSION FOR A QUALIFIED RATE ORDER FOR SOME OR ALL OF ITS TRANSITION  
35 COSTS.

1           (2)     IF THE COMMISSION ISSUES A QUALIFIED RATE ORDER AND THE  
2 TRANSITION BONDS APPROVED BY THAT ORDER ARE SUCCESSFULLY ISSUED:

3           (1)     THE ELECTRIC COMPANY SHALL IMPOSE AND COLLECT,  
4 THROUGH ITS CUSTOMER BILLS, THE INTANGIBLE TRANSITION CHARGES  
5 APPROVED BY THE QUALIFIED RATE ORDER; AND

6           (II)    AT THE SAME TIME, THE ELECTRIC COMPANY'S COMPETITIVE  
7 TRANSITION CHARGE SHALL BE REDUCED BY AN AMOUNT EQUAL TO THAT PORTION  
8 OF THE COMPETITIVE TRANSITION CHARGE RELATED TO THE TRANSITION COSTS  
9 FOR WHICH TRANSITION BONDS HAVE BEEN SUCCESSFULLY ISSUED, TOGETHER  
10 WITH ANY COSTS OF CAPITAL RELATED TO THE TRANSITION COSTS FOR WHICH  
11 RECOVERY WAS PROVIDED IN THE COMPETITIVE TRANSITION CHARGE, AS  
12 PROVIDED IN THE QUALIFIED RATE ORDER.

13       (D)   (1)     THE COMMISSION SHALL ESTABLISH PROCEDURES FOR THE  
14 ANNUAL REVIEW OF THE COMPETITIVE TRANSITION CHARGE FOR EACH ELECTRIC  
15 COMPANY TO RECONCILE THE ANNUAL REVENUES RECEIVED FROM THE CHARGE  
16 WITH THE ANNUAL AMORTIZATION OF TRANSITION COSTS APPROVED BY THE  
17 COMMISSION UNDER THIS SECTION TO TAKE ACCOUNT OF ACTUAL  
18 KILOWATT-HOUR SALES IN THE PRIOR YEAR COMPARED WITH PREVIOUSLY  
19 ESTIMATED KILOWATT-HOUR SALES. THE COMMISSION SHALL ADJUST THE  
20 COMPETITIVE TRANSITION CHARGE BASED ON ANY UNDER RECOVERY OR OVER  
21 RECOVERY WITH RESPECT TO THE AUTHORIZED AMORTIZATION AMOUNT.

22       (2)     NOTHING IN THIS SUBTITLE MAY BE CONSTRUED AS PREVENTING  
23 THE COMMISSION FROM APPROVING FOR AN INVESTOR-OWNED ELECTRIC  
24 COMPANY.

25       (1)     AN ADJUSTMENT MECHANISM PROPOSED BY THE  
26 INVESTOR-OWNED ELECTRIC COMPANY IN ITS INITIAL RESTRUCTURING PROPOSAL  
27 FILED PRIOR TO JANUARY 1, 1999, THAT TAKES INTO ACCOUNT DIFFERENCES OTHER  
28 THAN DIFFERENCES IN KILOWATT-HOUR SALES, TAKING INTO CONSIDERATION ANY  
29 REQUIREMENTS RELATED TO ANY TRANSITION BONDS;

30       (II)    AN ADJUSTMENT THAT TAKES INTO ACCOUNT GENERATION  
31 ASSET SALES BY AN ELECTRIC COMPANY OR AN AFFILIATE TO A NONAFFILIATE  
32 THAT ARE CONSUMMATED ON OR BEFORE JUNE 30, 2005; OR

33       (III)   ANY OTHER MECHANISM AS PART OF A SETTLEMENT.

34       (E)   (1)     IN DETERMINING THE APPROPRIATE TRANSITION COSTS OR  
35 BENEFITS FOR EACH ELECTRIC COMPANY'S GENERATION-RELATED ASSETS, THE  
36 COMMISSION SHALL:

37           (1)     CONDUCT PUBLIC HEARINGS; AND

38           (II)    CONSIDER, IN ADDITION TO OTHER APPROPRIATE EVIDENCE  
39 OF VALUE;

- 1                            1.     BOOK VALUE AND FAIR MARKET VALUE;  
2                            2.     AUCTIONS AND SALES OF COMPARABLE ASSETS;  
3                            3.     APPRAISALS;  
4                            4.     THE REVENUE THE COMPANY WOULD RECEIVE UNDER  
5 RATE-OF-RETURN REGULATION;  
6                            5.     THE REVENUE THE COMPANY WOULD RECEIVE IN A  
7 RESTRUCTURED ELECTRICITY SUPPLY MARKET; AND  
8                            6.     COMPUTER SIMULATIONS PROVIDED TO THE  
9 COMMISSION.

10                    (2)     THE COMMISSION SHALL DETERMINE ANY EQUITABLE ALLOCATION  
11 OF COSTS OR BENEFITS BETWEEN SHAREHOLDERS AND RATEPAYERS. IN  
12 DETERMINING THE ALLOCATION OF TRANSITION COSTS OR BENEFITS, THE  
13 COMMISSION SHALL CONSIDER THE FOLLOWING FACTORS:

14                    (I)     THE PRUDENCE AND VERIFIABILITY OF THE ORIGINAL  
15 INVESTMENT;

16                    (II)    WHETHER THE INVESTMENT CONTINUES TO BE USED AND  
17 USEFUL;

18                    (III)   WHETHER THE LOSS IS ONE OF WHICH INVESTORS CAN BE  
19 SAID TO HAVE REASONABLY BORNE THE RISK; AND

20                    (IV)   WHETHER INVESTORS HAVE ALREADY BEEN COMPENSATED  
21 FOR THE RISK.

22 7-514.

23                    (A)     (1)     ON COMPLAINT OR ON ITS OWN MOTION, FOR GOOD CAUSE SHOWN,  
24 THE COMMISSION MAY CONDUCT AN INVESTIGATION OF THE RETAIL ELECTRICITY  
25 SUPPLY AND ELECTRICITY SUPPLY SERVICES MARKETS AND DETERMINE WHETHER  
26 THE FUNCTION OF ONE OF THESE MARKETS IS BEING ADVERSELY AFFECTED BY  
27 MARKET POWER OR ANY OTHER ANTICOMPETITIVE CONDUCT.

28                    (2)     THE COMMISSION SHALL MONITOR THE RETAIL ELECTRICITY  
29 SUPPLY AND ELECTRICITY SUPPLY SERVICES MARKETS TO ENSURE THAT THE  
30 MARKETS ARE NOT BEING ADVERSELY AFFECTED BY MARKET POWER OR ANY  
31 OTHER ANTICOMPETITIVE CONDUCT.

32                    (B)     IF, AS A RESULT OF AN INVESTIGATION CONDUCTED UNDER THIS  
33 SECTION, THE COMMISSION DETERMINES THAT MARKET POWER OR ANY OTHER  
34 ANTICOMPETITIVE CONDUCT IN THE RELEVANT MARKET UNDER THE  
35 COMMISSION'S JURISDICTION IS PREVENTING THE ELECTRIC CUSTOMERS IN THE  
36 STATE FROM OBTAINING THE BENEFITS OF PROPERLY FUNCTIONING RETAIL

1 ELECTRICITY SUPPLY AND ELECTRICITY SUPPLY SERVICES MARKETS, THE  
2 COMMISSION MAY TAKE REMEDIAL ACTIONS WITHIN ITS AUTHORITY TO ADDRESS  
3 THE IMPACT OF THE MARKET POWER OR ANY OTHER ANTICOMPETITIVE CONDUCT  
4 ACTIVITIES.

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

7 (D) THE COMMISSION SHALL COOPERATE WITH AND SHARE INFORMATION  
8 WITH THE ANTITRUST DIVISION OF THE OFFICE OF THE ATTORNEY GENERAL.

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

12 7-515.

13 AN ELECTRICITY SUPPLIER THAT ALSO PROVIDES DISTRIBUTION SERVICE, OR  
14 THAT HAS AN AFFILIATE THAT PROVIDES DISTRIBUTION SERVICE, IN  
15 PENNSYLVANIA, DELAWARE, WEST VIRGINIA, VIRGINIA, OR THE DISTRICT OF  
16 COLUMBIA MAY NOT PROVIDE RETAIL ELECTRICITY SUPPLY SERVICE, DIRECTLY,  
17 INDIRECTLY, OR THROUGH AN AGGREGATOR, MARKETER, OR BROKER, IN THE  
18 DISTRIBUTION TERRITORY OF AN UNAFFILIATED ELECTRIC COMPANY UNLESS  
19 THERE IS ELECTRICITY SUPPLY COMPETITION IN AT LEAST A PORTION OF THE  
20 DISTRIBUTION SERVICE AREA OF THE ELECTRICITY SUPPLIER OR AFFILIATE.

21 7-516.

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

27 (B) AN INVESTOR-OWNED ELECTRIC COMPANY SHALL CONTINUE TO  
28 PROVIDE AT LEAST THE SAME PERCENTAGE OF ELECTRICITY FROM AVAILABLE  
29 RENEWABLE ENERGY RESOURCES, AT A REASONABLY COMPARABLE COST, AS THE  
30 ELECTRIC COMPANY PROVIDED IN 1998.

31 (C) ON OR BEFORE FEBRUARY 1, 2000, THE COMMISSION, IN CONSULTATION  
32 WITH THE MARYLAND ENERGY ADMINISTRATION, SHALL REPORT TO THE  
33 GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO  
34 THE GENERAL ASSEMBLY ON THE FEASIBILITY OF REQUIRING A RENEWABLES  
35 PORTFOLIO STANDARD, INCLUDING THE FEASIBILITY AND STRUCTURE OF A  
36 TWO-TIERED STANDARD, AND THE ESTIMATED COSTS AND BENEFITS OF  
37 ESTABLISHING THIS REQUIREMENT.

38 (D) (1) (1) IN RECOGNITION OF THE POTENTIAL ENVIRONMENTAL  
39 IMPACTS OF RESTRUCTURING THE ELECTRIC INDUSTRY, IT IS THE INTENT OF THE



1 GENERAL ASSEMBLY TO MINIMIZE THE EFFECTS OF ELECTRIC RESTRUCTURING ON  
2 THE ENVIRONMENT.

3 (II) ELECTRIC COMPANIES IN MARYLAND SHALL CONDUCT A  
4 STUDY THAT TRACKS SHIFTS IN GENERATION AND EMISSIONS AS A RESULT OF  
5 RESTRUCTURING THE ELECTRIC INDUSTRY.

6 (III) THE STUDY SHALL BE SUBMITTED TO THE DEPARTMENT OF  
7 THE ENVIRONMENT AND THE COMMISSION ONE YEAR AFTER THE INITIAL DATE OF  
8 IMPLEMENTATION OF CUSTOMER CHOICE.

9 (2) IF, AFTER REVIEW OF THE STUDY REQUIRED UNDER PARAGRAPH (1)  
10 OF THIS SUBSECTION, THE DEPARTMENT OF THE ENVIRONMENT DETERMINES  
11 THAT THE EMISSIONS LEVELS IMPOSE A HIGHER EMISSION BURDEN IN MARYLAND,  
12 THE DEPARTMENT OF THE ENVIRONMENT, IN CONSULTATION WITH THE  
13 COMMISSION, SHALL STUDY THE APPROPRIATENESS, CONSTITUTIONALITY, AND  
14 FEASIBILITY OF ESTABLISHING AN AIR QUALITY SURCHARGE OR OTHER  
15 MECHANISM TO PROTECT MARYLAND'S ENVIRONMENT IN CONNECTION WITH THE  
16 IMPLEMENTATION OF CUSTOMER CHOICE OF ELECTRICITY SUPPLIERS.

17 7-517.

18 THIS SUBTITLE MAY BE REFERRED TO AS "THE ELECTRIC CUSTOMER CHOICE  
19 AND COMPETITION ACT OF 1999".

20 7-518. RESERVED.

21 Article - Commercial Law

22 9-104.

23 This title does not apply

24 (m) To a transfer of an interest in a letter of credit other than the  
25 rights to proceeds of a written letter of credit; OR

26 (N) TO INTANGIBLE TRANSITION PROPERTY AS DEFINED IN § 7-501  
27 OF THE PUBLIC UTILITY COMPANIES ARTICLE.

28 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 4-403 of the  
29 Public Utility Companies Article of the Annotated Code of Maryland be repealed. Any  
30 net accumulated over recovery or under recovery of actual fuel costs by each electric  
31 company as of the initial implementation date under Title 7, Subtitle 5 of the Public  
32 Utility Companies Article, as enacted by this Act, shall be credited or debited, as  
33 appropriate, to the electric company's rates and shall be refunded or collected, as  
34 appropriate, over a period not to exceed 12 months.

35 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
36 read as follows:

Article - Public Utility Companies

1  
2 7-203.

3     (a)     (1)     The Commission shall:

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

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

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

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

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

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

22                     (2)     Each fiscal year, on approval of the annual budget by the General  
23 Assembly for the Power Plant Research Program, the Commission shall establish the  
24 amount of the environmental surcharge per kilowatt hour of electric energy  
25 [generated] DISTRIBUTED in the State that is to be imposed on each electric company  
26 in accordance with subsection (a) of this section.

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

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

34     (e)     The surcharge imposed under this subtitle shall terminate on June 30,  
35 [2000] 2005.

Article - Natural Resources

2 3-302.

3 (a) There is an Environmental Trust Fund. For the purpose of this subtitle,  
4 there is established as an added cost of [generation] ELECTRICITY DISTRIBUTED TO  
5 RETAIL ELECTRIC CUSTOMERS WITHIN THE STATE, an environmental surcharge per  
6 kilowatt hour of electric energy [generated] DISTRIBUTED in the State to be paid by  
7 any electric company as defined in § 1-101 of the Public Utility Companies Article.  
8 [This surcharge initially shall be assessed at 0.1 mill per kilowatt hour as of January  
9 1, 1972.] The Public Service Commission shall impose the surcharge per kilowatt hour  
10 of electric energy [generated] DISTRIBUTED TO RETAIL ELECTRIC CUSTOMERS  
11 within the State and shall authorize the electric companies to add the full amount of  
12 the surcharge to RETAIL ELECTRIC customers' bills. To the extent that the surcharge is  
13 not collected from RETAIL ELECTRIC customers, the surcharge shall be deemed a cost  
14 of [generation] DISTRIBUTION and shall be allowed and computed as such, together  
15 with other allowable expenses, for rate-making purposes. Revenues from the surcharge  
16 shall be collected by the Comptroller and placed in the Fund.

17 (b) (1) The Secretary, in consultation with the Director of the Maryland  
18 Energy Administration, annually shall coordinate the preparation of a budget  
19 required to carry out the provisions of this subtitle. Upon approval of the budget by the  
20 General Assembly, the Public Service Commission shall establish the amount of the  
21 surcharge per kilowatt hour for the fiscal year beginning July 1, 1972, and for each  
22 subsequent fiscal year.

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

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

33 (c) The Secretary shall administer the Fund. The Fund is subject to the  
34 provisions for financial management and budgeting established by the Department of  
35 Budget and Management. The moneys in the Fund shall be used to carry out the  
36 provisions of this subtitle as provided for in the budget, except that 10% of all moneys  
37 accruing to the Fund from July 1, 1978 through June 30, 1983 shall be used to  
38 supplement funds necessary to carry out the duties of the People's Counsel of the Public  
39 Service Commission. The People's Counsel shall submit an annual budget of necessary  
40 supplemental funds to the Department to be incorporated in the Department's budget.  
41 For the purposes of this subtitle, the Secretary, in consultation with the Director of the  
42 Maryland Energy Administration, may execute appropriate contracts with any State  
43 or federal agency, research organization, industry, or academic institution to conduct

1 the necessary research, construct or acquire, or both, real property including physical  
2 predictive models, laboratories, buildings, land, and appurtenances, or support the  
3 technological development of extraordinary systems related to power plants designed to  
4 minimize environmental impact. [He] THE SECRETARY may utilize available  
5 expertise in any other State unit in the development, execution, and management of  
6 contracts and agreements on projects relating to their areas of prime responsibility.

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

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

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

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

23 SECTION 5. AND BE IT FURTHER ENACTED, That the Governor is  
24 authorized to submit a budget amendment for the fiscal year ending June 30, 2000,  
25 transferring \$6,000,000 from the Revenue Stabilization Fund to be used for the  
26 purpose of educating consumers on electric utility industry restructuring. In  
27 accordance with § 7-505(f) of the Public Utility Companies Article, the Public Service  
28 Commission shall use the allocated funds during the fiscal year ending June 30, 2000,  
29 to implement a consumer education program informing customers of changes in the  
30 electric industry. On or before September 1, 1999, the Public Service Commission shall  
31 report to the Governor and, subject to § 2-1246 of the State Government Article, to the  
32 General Assembly on: (1) the recommended funding level, between \$3,000,000 and  
33 \$6,000,000, for the consumer education program for the fiscal year ending June 30,  
34 2001; (2) the recommended method of funding for the program; (3) if applicable, the  
35 impact that the funding method will have on customers' costs for electricity; and (4) the  
36 content of the media used in the program. On or before September 1, 2000, the Public  
37 Service Commission shall report to the Governor and, subject to § 2-1246 of the State  
38 Government Article, to the General Assembly on: (1) the recommended funding level,  
39 between \$3,000,000 and \$6,000,000, for the consumer education program for the fiscal  
40 year ending June 30, 2002; (2) the recommended method of funding for the program;  
41 (3) if applicable, the impact that the funding method will have on customers' costs for  
42 electricity; and (4) the content of the media used in the program.

1 SECTION 6. AND BE IT FURTHER ENACTED, That, on or before December 1,  
 2 1999, the Public Service Commission shall report to the Governor and, subject to §  
 3 2-1246 of the State Government Article, to the General Assembly on: (1) the  
 4 determinations of any transition costs or any transition benefits for the various electric  
 5 companies; and (2) the status of the Public Service Commission's considerations  
 6 regarding the functional, operational, structural, or legal separation between electric  
 7 companies' regulated businesses and their nonregulated businesses or nonregulated  
 8 affiliates.

9 SECTION 7. AND BE IT FURTHER ENACTED, That if any provision of this  
 10 Act or the application thereof to any person or circumstance is held invalid for any  
 11 reason in a court of competent jurisdiction, the invalidity does not affect other  
 12 provisions or any other application of this Act which can be given effect without the  
 13 invalid provision or application, and for this purpose the provisions of this Act are  
 14 declared severable.

15 SECTION 8. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall  
 16 take effect on the later of July 1, 2000, and the initial implementation date that the  
 17 Public Service Commission determines for investor-owned utilities under § 7-510(b)(1)  
 18 of the Public Utility Companies Article, as enacted by this Act.

19 SECTION 9. AND BE IT FURTHER ENACTED, That, except as provided in  
 20 Sections 4 and 8 of this Act, this Act shall take effect July 1, 1999.

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

23 **Article – Public Utility Companies**

24 ~~1-101.~~

25 ~~(a) In this article the following words have the meanings indicated.~~

26 ~~(B) (1) "AGGREGATOR" MEANS AN ENTITY OR INDIVIDUAL INCLUDING A~~  
 27 ~~COUNTY OR MUNICIPAL CORPORATION, OTHER THAN A MUNICIPAL UTILITY, THAT~~  
 28 ~~ACTS ON BEHALF OF A CUSTOMER TO PURCHASE ELECTRICITY.~~

29 ~~(2) "AGGREGATOR" DOES NOT INCLUDE AN ENTITY OR INDIVIDUAL~~  
 30 ~~THAT PURCHASES ELECTRICITY FOR ITS OWN USE OR FOR THE USE OF ITS~~  
 31 ~~SUBSIDIARIES OR AFFILIATES.~~

32 ~~(C) "BILLING AGENT" MEANS AN ENTITY THAT PROVIDES BILLING AND~~  
 33 ~~COLLECTION SERVICES AND DISTRIBUTION OF RECEIPTS TO UNITS COVERED IN THE~~  
 34 ~~BILLING.~~

35 ~~(C) (D) "BROKER" MEANS AN ENTITY OR INDIVIDUAL THAT ACTS AS AN~~  
 36 ~~AGENT OR INTERMEDIARY IN THE SALE AND PURCHASE OF ELECTRICITY BUT DOES~~  
 37 ~~NOT TAKE TITLE TO ELECTRICITY.~~

38 ~~{(b)} (D) (E) "Commission" means the Public Service Commission.~~

1 ~~[(c)]~~ ~~(E)~~ ~~(F)~~ (1) "Common carrier" means a person, public authority, or  
 2 federal, State, district, or municipal transportation unit that is engaged in the public  
 3 transportation of persons for hire, by land, water, air, or any combination of them.

4 (2) "Common carrier" includes:

5 (i) an airline company;

6 (ii) a car company, motor vehicle company, automobile company, or  
 7 motor bus company;

8 (iii) a power boat company, vessel boat company, steamboat  
 9 company, or ferry company;

10 (iv) a railroad company, street railroad company, or sleeping car  
 11 company;

12 (v) a taxicab company;

13 (vi) a toll bridge company; and

14 (vii) a transit company.

15 (3) "Common carrier" does not include:

16 (i) a county revenue authority;

17 (ii) a toll bridge or other facility owned and operated by a county  
 18 revenue authority; or

19 (iii) a vanpool or launch service.

20 ~~[(d)]~~ ~~(F)~~ ~~(G)~~ "Company", as a designation for a type of enterprise, includes a  
 21 person that owns a company individually or as an agent, trustee, or receiver of a  
 22 company.

23 ~~[(e)]~~ ~~(G)~~ ~~(H)~~ "County" means a county of the State or Baltimore City.

24 ~~[(f)]~~ ~~(H)~~ ~~(I)~~ (1) "Electric company" means a [public service company that:

25 (i) owns an electric plant and transmits, sells, or distributes  
 26 electricity;

27 (ii) generates electricity for distribution or sale; or

28 (iii) is authorized to install or maintain facilities in, over, or under  
 29 streets for furnishing or distributing electricity.

30 (2) "Electric company" includes a municipal corporation that is in the  
 31 business of supplying electricity for other than municipal purposes] PERSON WHO

1 ~~PHYSICALLY TRANSMITS OR DISTRIBUTES ELECTRICITY IN THE STATE TO A RETAIL~~  
 2 ~~ELECTRIC CUSTOMER.~~

3 ~~[(3)]~~ (2) "Electric company" does not include [a company that generates  
 4 or transmits electricity exclusively for its own use];

5 (I) ~~THE FOLLOWING PERSONS WHO SUPPLY ELECTRICITY AND~~  
 6 ~~ELECTRICITY SUPPLY SERVICES SOLELY TO OCCUPANTS OF A BUILDING FOR USE BY~~  
 7 ~~THE OCCUPANTS:~~

8 1. ~~AN OWNER/OPERATOR WHO HOLDS OWNERSHIP IN AND~~  
 9 ~~MANAGES THE INTERNAL DISTRIBUTION SYSTEM SERVING THE BUILDING; OR~~

10 2. ~~A LESSEE/OPERATOR WHO HOLDS A LEASEHOLD~~  
 11 ~~INTEREST IN AND MANAGES THE INTERNAL DISTRIBUTION SYSTEM SERVING THE~~  
 12 ~~BUILDING;~~

13 (II) ~~ANY PERSON WHO GENERATES ON SITE GENERATED~~  
 14 ~~ELECTRICITY; OR~~

15 (III) ~~A PERSON WHO TRANSMITS OR DISTRIBUTES ELECTRICITY~~  
 16 ~~WITHIN A SITE OWNED BY THE PERSON OR THE PERSON'S AFFILIATE THAT IS~~  
 17 ~~INCIDENTAL TO A PRIMARILY LANDLORD-TENANT RELATIONSHIP.~~

18 ~~[(g)]~~ (I) ~~(J)~~ "Electric plant" means the material, equipment, and property  
 19 owned by an electric company and used or to be used for or in connection with electric  
 20 service.

21 (J) ~~(K)~~ (1) "ELECTRICITY SUPPLIER" MEANS A PERSON WHO SELLS  
 22 ELECTRICITY OR ELECTRICITY SUPPLY SERVICES OR WHO PURCHASES, BROKERS,  
 23 ARRANGES, OR MARKETS ELECTRICITY OR ELECTRICITY SUPPLY SERVICES OR  
 24 COMPETITIVE BILLING OR COMPETITIVE METERING SERVICES FOR SALE TO A  
 25 RETAIL ELECTRIC CUSTOMER.

26 (2) "ELECTRICITY SUPPLIER" INCLUDES AN ELECTRIC COMPANY,  
 27 AGGREGATOR, AN AGGREGATOR, A BROKER, AND MARKETER OR A MARKETER OF  
 28 ELECTRICITY, AND A BILLING AGENT.

29 (3) "ELECTRICITY SUPPLIER" DOES NOT INCLUDE:

30 (I) ~~THE FOLLOWING PERSONS WHO SUPPLY ELECTRICITY AND~~  
 31 ~~ELECTRICITY SUPPLY SERVICES SOLELY TO OCCUPANTS OF A BUILDING FOR USE BY~~  
 32 ~~THE OCCUPANTS:~~

33 1. ~~AN OWNER/OPERATOR WHO HOLDS OWNERSHIP IN AND~~  
 34 ~~MANAGES THE INTERNAL DISTRIBUTION SYSTEM SERVING THE BUILDING; OR~~

35 2. ~~A LESSEE/OPERATOR WHO HOLDS A LEASEHOLD~~  
 36 ~~INTEREST IN AND MANAGES THE INTERNAL DISTRIBUTION SYSTEM SERVING THE~~  
 37 ~~BUILDING; OR~~

1                    (H)     A PERSON WHO GENERATES ON-SITE GENERATED  
2 ELECTRICITY.

3     ~~{(h)}~~     ~~(K)~~     ~~(L)~~     (1)         "Gas company" means a public service company that:

4                    (i)         is authorized to install or maintain facilities in, over, or under  
5 streets for furnishing or distributing gas; or

6                    (ii)        owns a gas plant and:

7                                 1.         transmits, sells, supplies, or distributes artificial or  
8 natural gas; or

9                                 2.         manufactures gas for distribution or sale.

10                   (2)         "Gas company" includes a municipal corporation that is in the  
11 business of supplying gas for other than municipal purposes.

12     ~~{(i)}~~     ~~(L)~~     ~~(M)~~     "Gas master meter operator" means a person that owns or  
13 operates a pipeline system, other than piping within a building:

14                   (1)         that distributes gas within, but not limited to, a definable area, such  
15 as a mobile home park, housing project, or apartment complex;

16                   (2)         for which the person purchases metered, artificial, or natural gas  
17 from an outside source for resale through the pipeline system; and

18                   (3)         that supplies the ultimate consumer, who purchases the gas directly  
19 through a meter or by other means, such as by rent.

20     ~~{(j)}~~     ~~(M)~~     ~~(N)~~     "Gas plant" means the material, equipment, and property  
21 owned by a gas company and used or to be used for or in connection with gas service.

22     ~~{(k)}~~     ~~(N)~~     ~~(O)~~     "Launch service" means a power boat company that transports  
23 passengers or freight between the shore and vessels on a body of water in the State.

24     ~~(O)~~     ~~(P)~~     "MARKETER" MEANS A PERSON WHO PURCHASES AND TAKES TITLE  
25 TO ELECTRICITY AS AN INTERMEDIARY FOR SALE TO A CUSTOMER.

26     ~~(P)~~     ~~(Q)~~     "ON-SITE GENERATED ELECTRICITY" MEANS ELECTRICITY THAT:

27                   (1)         IS NOT TRANSMITTED OR DISTRIBUTED OVER AN ELECTRIC  
28 COMPANY'S TRANSMISSION OR DISTRIBUTION SYSTEM; AND

29                   (2)         IS GENERATED AT A FACILITY OWNED OR OPERATED BY AN  
30 ELECTRIC CUSTOMER OR OPERATED BY A DESIGNEE OF THE OWNER WHO, WITH THE  
31 OTHER TENANTS OF THE FACILITY, CONSUMES AT LEAST 80% OF THE POWER  
32 GENERATED BY THE FACILITY EACH YEAR.

33     ~~{(l)}~~     ~~(Q)~~     ~~(R)~~     "Own" includes own, operate, lease to or from, manage, or  
34 control.



1 ~~[(m)]~~ ~~(R)~~ ~~(S)~~ "Person" means an individual, receiver, trustee, guardian,  
 2 personal representative, fiduciary, or representative of any kind and any partnership,  
 3 firm, association, corporation, or other entity.

4 ~~[(n)]~~ ~~(S)~~ ~~(T)~~ "Plant" includes all material, equipment, and property owned  
 5 by a public service company and used or to be used for or in connection with a public  
 6 utility service.

7 ~~[(o)]~~ ~~(T)~~ ~~(U)~~ "Proceeding" includes an action, complaint, hearing,  
 8 investigation, trial, appeal, order, or similar matter pending before, made, or  
 9 conducted by an official body.

10 ~~[(p)]~~ ~~(U)~~ ~~(V)~~ "Public service company" means a common carrier company,  
 11 electric company, gas company, sewage disposal company, steam heating company,  
 12 telegraph company, telephone company, water company, or any combination of public  
 13 service companies.

14 ~~[(q)]~~ ~~(V)~~ ~~(W)~~ ~~(1)~~ "Railroad" means a common carrier by rail powered in any  
 15 manner.

16 ~~(2)~~ "Railroad" includes material, equipment, and property used on or in  
 17 connection with a railroad.

18 ~~[(r)]~~ ~~(W)~~ ~~(X)~~ ~~(1)~~ "Rate" means a toll, fare, tariff, fee, price, or other charge,  
 19 or a combination of these items, by a public service company for public utility service.

20 ~~(2)~~ "Rate" includes a schedule, regulation, classification, or practice of a  
 21 public service company that affects:

22 ~~(i)~~ the amount of a charge; or

23 ~~(ii)~~ the nature and value of the service rendered for the charge.

24 ~~[(s)]~~ ~~(X)~~ ~~(Y)~~ ~~(1)~~ "Record" means the original or a copy of any documentary  
 25 material.

26 ~~(2)~~ "Record" includes an account, book, chart, contract, document, file,  
 27 map, paper, profile, report, or schedule.

28 ~~(Y)~~ ~~(Z)~~ "RENEWABLE ENERGY RESOURCE" MEANS ONE OR MORE OF THE  
 29 FOLLOWING SOURCES OF ENERGY, ENERGY TECHNOLOGY, OR RELATED CREDIT:

30 ~~(1)~~ SOLAR;

31 ~~(2)~~ WIND;

32 ~~(3)~~ TIDAL;

33 ~~(4)~~ GEOTHERMAL;

1           (5)     BIOMASS, INCLUDING WASTE TO ENERGY AND LANDFILL GAS  
 2 RECOVERY;  
 3           (6)     HYDROELECTRIC FACILITIES;  
 4           (7)     DIGESTER GAS; AND  
 5           (8)     A MANUFACTURING OR COMMERCIAL WASTE TO ENERGY SYSTEM  
 6 OR FACILITY.

7     ~~(Z)~~    ~~(AA)~~   (1)     "RETAIL ELECTRIC CUSTOMER" MEANS A PURCHASER OF  
 8 ELECTRICITY FOR END USE IN THE STATE.

9           (2)     "RETAIL ELECTRIC CUSTOMER" EXCLUDES:

10           (I)     AN OCCUPANT OF A BUILDING IN WHICH THE  
 11 OWNER/OPERATOR OR LESSEE/OPERATOR MANAGES THE INTERNAL DISTRIBUTION  
 12 SYSTEM SERVING THE BUILDING AND SUPPLIES ELECTRICITY AND ELECTRICITY  
 13 SUPPLY SERVICES SOLELY TO OCCUPANTS OF THE BUILDING FOR USE BY THE  
 14 OCCUPANTS; AND

15           (II)    A PERSON WHO GENERATES ON-SITE GENERATED  
 16 ELECTRICITY, TO THE EXTENT THE ON-SITE GENERATED ELECTRICITY IS  
 17 CONSUMED BY THAT PERSON OR ITS TENANTS.

18     ~~{(t)}~~   ~~(AA)~~   ~~(BB)~~   "sewage disposal company" means a privately owned public  
 19 service company that owns or maintains facilities for the disposal of sewage.

20     ~~{(u)}~~   ~~(BB)~~   ~~(CC)~~   "Small rural electric cooperative" means an electric company  
 21 that:

22           (1)     serves only the consumers that exclusively own and control the  
 23 company;

24           (2)     conducts its business on a not-for-profit basis; and

25           (3)     supplies electricity to less than 1,000 electric meters in the State.

26     ~~{(v)}~~   ~~(CC)~~   ~~(DD)~~   "State" means:

27           (1)     a state, possession, territory, or commonwealth of the United States;  
 28 or

29           (2)     the District of Columbia.

30     ~~{(w)}~~   ~~(DD)~~   ~~(EE)~~   "Steam heating company" means a public service company that  
 31 manufactures, sells, or distributes steam for use, sale, or distribution.

32     ~~{(x)}~~   ~~(EE)~~   ~~(FF)~~   "Street railroad" means a railroad:

33           (1)     that is not part of a trunk line railway system; and



1           (2)     "Transportation of persons for hire" includes the transportation of  
2 persons, whether on the cooperative plan, carried by a corporation, group, or  
3 association engaged in the transportation of its stockholders, shareholders, or  
4 members.

5     ~~[(ff)]~~   ~~(MM)~~   ~~(NN)~~   "Water company" means a public service company that owns a  
6 water plant and sells or distributes water for gain.

7     ~~[(gg)]~~   ~~(NN)~~   ~~(OO)~~   "Water plant" means the material, equipment, and property  
8 owned by a water company and used or to be used for or in connection with water  
9 service.

10 2-110.

11     ~~(A)~~     ~~IN THIS SECTION, "PUBLIC SERVICE COMPANY" INCLUDES AN~~  
12 ~~ELECTRICITY SUPPLIER AS DEFINED IN § 1-101 OF THIS ARTICLE.~~

13     ~~[(a)]~~   ~~(B)~~   ~~(1)~~   ~~(i)~~     ~~Subject to paragraphs (2) and (3) of this subsection, the~~  
14 ~~costs and expenses of the Commission shall be borne by the public service companies~~  
15 ~~that are subject to the Commission's jurisdiction.~~

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

18           ~~(2)~~     ~~An appropriation for the costs and expenses of the Commission shall~~  
19 ~~be included in the State budget and paid from the State treasury.~~

20           ~~(3)~~     ~~The State treasury shall be reimbursed from the money collected~~  
21 ~~under this section.~~

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

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

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

29                                 ~~3.~~     ~~all other maintenance and operation expenses; and~~

30                                 ~~4.~~     ~~all other direct and indirect costs.~~

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

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

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

3           ~~(4)     The bill shall equal the product of:~~

4                   ~~(i)     the estimated total costs and expenses of the Commission~~  
5 ~~during the next fiscal year; multiplied by~~

6                   ~~(ii)    the ratio of the gross operating revenues for the public service~~  
7 ~~company derived from intrastate utility AND ELECTRICITY SUPPLIER operations in~~  
8 ~~the preceding calendar year, or other 12-month period as the Chairman determines;~~  
9 ~~to the total of the gross operating revenues derived from intrastate utility AND~~  
10 ~~ELECTRICITY SUPPLIER operations for all public service companies that are billed~~  
11 ~~under this section over that period.~~

12           ~~(5)     The minimum bill for a public service company shall be \$10.~~

13           ~~(6)     The public service company:~~

14                   ~~(i)     shall pay the bill on or before the next July 15th; or~~

15                   ~~(ii)    may elect to make partial payments on the 15th days of July,~~  
16 ~~October, January, and April.~~

17           ~~(7)     A partial payment shall equal 25% of the bill and may not be less~~  
18 ~~than \$10.~~

19           ~~(8)     During any State fiscal year, the Chairman may change the estimate~~  
20 ~~of costs and expenses of the Commission.~~

21                   ~~(9)     (i)     If the estimate is changed, the Commission shall send a revised~~  
22 ~~bill to each public service company that has elected to make partial payments.~~

23                   ~~(ii)    The change shall be apportioned equally against the remaining~~  
24 ~~payments for the fiscal year.~~

25           ~~(10)    (i)     On or before September 15th of each year, the Chairman shall~~  
26 ~~compute the actual costs and expenses of the Commission for the preceding fiscal~~  
27 ~~year.~~

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

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

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

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

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

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

10 ~~[(c)] (D)~~ (1) Within 30 days after the Commission issues a bill under  
11 subsection [(b)] (C) of this section, the party billed may request a hearing as to the  
12 amount of the bill.

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

17 ~~2-118.~~

18 (a) This section does not apply to taxicabs, power boat companies, toll bridges,  
19 or towing and lightering companies.

20 (b) The Commission shall require each public service company subject to its  
21 jurisdiction to formulate and, after approval by the Commission, to implement  
22 long range plans to provide REGULATED service.

23 (c) The Commission shall require each electric company in the State to  
24 include in the long range plan [adequate] COST EFFECTIVE provisions to promote  
25 energy conservation to decrease or moderate electric and, as appropriate, natural gas  
26 demand FOR REGULATED SERVICE from customers.

27 (d) (1) The Commission shall review each plan for adequacy under the  
28 criteria of § 2-113 of this subtitle, giving attention to the interrelationship of services  
29 of other public service companies and to provisions for research and development to  
30 ensure adequate service.

31 (2) As part of the review, and subject to any applicable Freedom of  
32 Information Act, the Commission shall consult with other State units and provide an  
33 opportunity for public comment.

34 (3) The Commission shall require the revisions to a plan that the  
35 Commission considers appropriate unless the authority to review and approve a plan  
36 has been granted to another State unit by other law.

1 ~~4-201.~~

2 In accordance with the provisions of this article, a public service company shall  
3 charge just and reasonable rates for the [utility] REGULATED services that it  
4 renders.

5 ~~4-202.~~

6 (a) A public service company shall file with the Commission a tariff schedule  
7 of its rates and charges FOR ITS REGULATED SERVICES.

8 (b) As ordered by the Commission, a public service company shall:

9 (1) plainly print the tariff schedule of its rates and charges FOR ITS  
10 REGULATED SERVICES;

11 (2) make available the tariff schedules for public inspection; and

12 (3) post the tariff schedules to make the tariff schedules readily  
13 accessible to and convenient for inspection by the public.

14 ~~7-201.~~

15 (a) ~~[In cooperation with the Secretary of Natural Resources as provided under~~  
16 ~~§ 3-304 of the Natural Resources Article, the Commission shall assemble and~~  
17 ~~evaluate annually the long range plans of the State's electric companies regarding~~  
18 ~~generating needs and the means to meet those needs.~~

19 (b)] (1) Annually, the chairman of the Commission shall forward to the  
20 Secretary of Natural Resources a 10-year plan listing possible and proposed sites,  
21 including the associated transmission routes, for the construction of electric plants  
22 within the State.

23 (2) (i) The chairman shall delete from the 10-year plan any site that  
24 the Secretary of Natural Resources identifies as unsuitable in accordance with the  
25 requirements of § 3-304 of the Natural Resources Article.

26 (ii) The chairman may include a site deleted from a 10-year plan  
27 under subparagraph (i) of this paragraph in a subsequent 10-year plan.

28 (3) The chairman shall include information in the annual 10-year plan  
29 on current and projected efforts by electric companies and the Commission to  
30 moderate overall electrical generation demand and peak demand through the electric  
31 companies' promotion of energy conservation by customers and through the electric  
32 companies' use of alternative energy sources, including cogeneration.

33 [(c)] (B) (1) The Commission shall evaluate the cost-effectiveness of the  
34 investments by electric companies in energy conservation to reduce electrical demand  
35 and in renewable energy sources to help meet electrical demand.

36 (2) The evaluation of investments shall include:

1                   (i)       the electric companies' promotion and conduct of a building  
2 audit and weatherization program, including low-interest or no-interest electric  
3 company financing for the installation of energy conservation materials and  
4 renewable energy devices;

5                   (ii)       utilization of renewable energy sources;

6                   (iii)      promotion and utilization of electricity from cogeneration and  
7 wastes; and

8                   (iv)      widespread public promotion of energy conservation programs.

9 ~~7-207.~~

10       (a)       (1)       In this section and § 7-208 of this subtitle, "construction" means the  
11 clearing of land, excavation, or other action that affects the natural environment of a  
12 site or route of a bulk power supply facility.

13               (2)       "Construction" does not include a change that is needed for the  
14 temporary use of a site or route for nonutility purposes or for use in securing  
15 geological data, including any boring that is necessary to ascertain foundation  
16 conditions.

17       (b)       [An electric company may not begin construction in the State of a  
18 generating station or of an overhead transmission line that is designed to carry a  
19 voltage in excess of 69,000 volts, or exercise the right of condemnation in connection  
20 with the construction, unless] UNLESS a certificate of public convenience and  
21 necessity for the construction is first obtained from the Commission:

22               (1)       A PERSON MAY NOT:

23                   ~~(1)       BEGIN CONSTRUCTION IN THE STATE OF A GENERATING~~  
24 ~~STATION OR; OR~~

25                   ~~(2)       EXERCISE A RIGHT OF CONDEMNATION IN CONNECTION WITH~~  
26 ~~THE CONSTRUCTION IF UNLESS THE COMMISSION HAS FOUND THAT THE CAPACITY~~  
27 ~~IS NECESSARY TO ENSURE A SUFFICIENT SUPPLY OF ELECTRICITY TO CUSTOMERS~~  
28 ~~IN THE STATE; AND~~

29               (2)       AN ELECTRIC COMPANY MAY NOT BEGIN CONSTRUCTION OF AN  
30 OVERHEAD TRANSMISSION LINE THAT IS DESIGNED TO CARRY A VOLTAGE IN  
31 EXCESS OF 69,000 VOLTS OR EXERCISE A RIGHT OF CONDEMNATION IN CONNECTION  
32 WITH THE CONSTRUCTION.

33       (c)       (1)       On receipt of an application for a certificate of public convenience and  
34 necessity under this section, the Commission shall provide notice to the Office of  
35 Planning and to all other interested persons.

36               (2)       The Office of Planning shall forward the application to each  
37 appropriate State unit and unit of local government for review, evaluation, and



1 comment regarding the significance of the proposal to State, area wide, and local  
2 plans or programs.

3 (d) (1) The Commission shall hold a public hearing on the application for a  
4 certificate of public convenience and necessity in each county and municipal  
5 corporation in which any portion of the construction of a generating station or of an  
6 overhead transmission line designed to carry a voltage in excess of 69,000 volts is  
7 proposed to be located.

8 (2) The Commission shall hold the public hearing jointly with the  
9 governing body of the county or municipal corporation in which any portion of the  
10 construction of the generating station or overhead transmission line is proposed to be  
11 located, unless the governing body declines to participate in the hearing.

12 (3) Once in each of the 2 successive weeks immediately before the  
13 hearing date, the Commission shall provide weekly notice of the public hearing by  
14 advertisement in a newspaper of general circulation in the county or municipal  
15 corporation affected by the application.

16 (4) (i) The Commission shall ensure presentation and  
17 recommendations from each interested State unit, and shall allow representatives of  
18 each State unit to sit during hearing of all parties.

19 (ii) The Commission shall allow each State unit 15 days after the  
20 conclusion of the hearing to modify the State unit's initial recommendations.

21 (e) The Commission shall take final action on an application for a certificate  
22 of public convenience and necessity only after due consideration of:

23 (1) the recommendation of the governing body of each county or  
24 municipal corporation in which any portion of the construction of the generating  
25 station or overhead transmission line is proposed to be located; AND

26 (2) [the need to meet existing and future demand for electric service; and

27 (3)] the effect of the generating station or overhead transmission line on:

28 (i) [the stability and reliability of the electric system;

29 (ii)] economies;

30 [(iii)] (II) esthetics;

31 [(iv)] (III) historic sites;

32 [(v)] (IV) aviation safety as determined by the Maryland Aviation  
33 Administration and the administrator of the Federal Aviation Administration;

34 [(vi)] (V) when applicable, air and water pollution; and

1                   ~~[(vii)]~~ (VI) the availability of means for the required timely disposal  
2 of wastes produced by any generating station.

3       (†)       ~~FOR THE CONSTRUCTION OF AN OVERHEAD TRANSMISSION LINE, IN~~  
4 ~~ADDITION TO THE CONSIDERATIONS LISTED IN SUBSECTION (E) OF THIS SECTION,~~  
5 ~~THE COMMISSION SHALL TAKE FINAL ACTION ON AN APPLICATION FOR A~~  
6 ~~CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY ONLY AFTER DUE~~  
7 ~~CONSIDERATION OF THE FOLLOWING ADDITIONAL FACTORS:~~

8                   (1)       ~~THE NEED TO MEET EXISTING AND FUTURE DEMAND FOR ELECTRIC~~  
9 ~~SERVICE; AND~~

10                  (2)       ~~THE EFFECT OF THE OVERHEAD TRANSMISSION LINE ON THE~~  
11 ~~STABILITY AND RELIABILITY OF THE ELECTRIC SYSTEM.~~

12       (G)       (1)       ~~The Commission may not authorize, and an electric company may not~~  
13 ~~undertake, the construction of an overhead transmission line that is aligned with and~~  
14 ~~within 1 mile of either end of a public airport runway, unless:~~

15                   (i)       ~~the Federal Aviation Administration determines that the~~  
16 ~~construction of an overhead transmission line will not constitute a hazard to air~~  
17 ~~navigation; and~~

18                   (ii)       ~~the Maryland Aviation Administration concurs in that~~  
19 ~~determination.~~

20                  (2)       ~~A privately owned airport runway shall qualify as a public airport~~  
21 ~~runway under this subsection only if the runway has been on file with the Federal~~  
22 ~~Aviation Administration for at least 2 years as being open to the public without~~  
23 ~~restriction.~~

24 ~~7-211.~~

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

29       (b)       ~~The Commission shall:~~

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

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

1 ~~(3) ASSURE THAT ADOPTION OF ELECTRIC CUSTOMER CHOICE UNDER~~  
2 ~~SUBTITLE 5 OF THIS TITLE DOES NOT ADVERSELY IMPACT THE CONTINUATION OF~~  
3 ~~COST EFFECTIVE ENERGY CONSERVATION AND EFFICIENCY PROGRAMS.~~

4 SUBTITLE 5. ELECTRIC INDUSTRY RESTRUCTURING.

5 PART I. GENERAL PROVISIONS.

6 ~~7 501.~~

7 (A) ~~IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS~~  
8 ~~INDICATED.~~

9 (B) ~~"AFFILIATE" MEANS A PERSON THAT DIRECTLY OR INDIRECTLY, OR~~  
10 ~~THROUGH ONE OR MORE INTERMEDIARIES, CONTROLS, IS CONTROLLED BY, OR IS~~  
11 ~~UNDER COMMON CONTROL WITH, OR HAS, DIRECTLY OR INDIRECTLY, ANY~~  
12 ~~ECONOMIC INTEREST IN ANOTHER PERSON.~~

13 (C) ~~(1) "ASSIGNEE" MEANS A PERSON TO WHOM AN ELECTRIC COMPANY~~  
14 ~~ASSIGNS OR TRANSFERS ALL OR A PORTION OF ITS INTEREST IN INTANGIBLE~~  
15 ~~TRANSITION PROPERTY, OTHER THAN AS SECURITY.~~

16 ~~(2) "ASSIGNEE" INCLUDES A PERSON TO WHOM ALL OR A PORTION OF~~  
17 ~~THE INTEREST IS SUBSEQUENTLY ASSIGNED OR TRANSFERRED.~~

18 (D) ~~"COMPETITIVE TRANSITION CHARGE" MEANS A RATE, CHARGE, CREDIT,~~  
19 ~~OR OTHER APPROPRIATE MECHANISM AUTHORIZED TO BE IMPOSED FOR THE~~  
20 ~~RECOVERY OF TRANSITION COSTS OR THE RETURN OF A NET TRANSITION BENEFIT~~  
21 ~~AS DETERMINED BY THE COMMISSION UNDER § 7 513 OF THIS SUBTITLE.~~

22 (E) ~~"CONSUMER" AND "CUSTOMER" EACH MEANS A RETAIL ELECTRIC~~  
23 ~~CUSTOMER.~~

24 (F) ~~"CUSTOMER CHOICE" MEANS THE RIGHT OF ELECTRICITY SUPPLIERS AND~~  
25 ~~CUSTOMERS TO UTILIZE AND INTERCONNECT WITH THE ELECTRIC DISTRIBUTION~~  
26 ~~SYSTEM ON A NONDISCRIMINATORY BASIS AT RATES, TERMS, AND CONDITIONS OF~~  
27 ~~SERVICE COMPARABLE TO THE ELECTRIC COMPANY'S OWN USE OF THE SYSTEM TO~~  
28 ~~DISTRIBUTE ELECTRICITY FROM A ELECTRICITY SUPPLIER TO A CUSTOMER, UNDER~~  
29 ~~WHICH A CUSTOMER HAS THE OPPORTUNITY TO PURCHASE ELECTRICITY FROM THE~~  
30 ~~CUSTOMER'S CHOICE OF LICENSED ELECTRICITY SUPPLIERS.~~

31 (G) ~~"DISTRIBUTION TERRITORY" MEANS THE GEOGRAPHIC AREA IN WHICH AN~~  
32 ~~ELECTRIC COMPANY WAS PROVIDING ELECTRIC TRANSMISSION OR DISTRIBUTION~~  
33 ~~SERVICES TO CUSTOMERS ON JULY 1, 1999.~~

34 (H) ~~"INDEPENDENT SYSTEM OPERATOR" MEANS AN ENTITY AUTHORIZED BY~~  
35 ~~THE FEDERAL ENERGY REGULATORY COMMISSION TO CONTROL A REGIONAL~~  
36 ~~TRANSMISSION GRID.~~

37 (H) ~~(I) "INITIAL IMPLEMENTATION DATE" MEANS:~~

1           (1)     ~~JULY 1, 2000, FOR INVESTOR OWNED ELECTRIC COMPANIES;~~

2           (2)     ~~THE DATE OR DATES DETERMINED BY THE COMMISSION FOR~~  
3 ~~ELECTRIC COOPERATIVES AND MUNICIPAL UTILITIES; OR~~

4           (3)     ~~ANOTHER DATE OR DATES DETERMINED BY THE COMMISSION~~  
5 ~~UNDER § 7-510(B) OF THIS SUBTITLE.~~

6     ~~(I)     (I)     "INTANGIBLE TRANSITION CHARGE" MEANS A NONBYPASSABLE~~  
7 ~~RATE, CHARGE, OR SIMILAR APPROPRIATE MECHANISM FOR THE PROVISION,~~  
8 ~~AVAILABILITY, OR TERMINATION OF ELECTRIC SERVICE, AUTHORIZED TO BE~~  
9 ~~IMPOSED FOR THE RECOVERY OF QUALIFIED TRANSITION COSTS UNDER A~~  
10 ~~QUALIFIED RATE ORDER OF THE COMMISSION.~~

11     ~~(J)     (K)     "INTANGIBLE TRANSITION PROPERTY" MEANS THE RIGHT, TITLE,~~  
12 ~~AND INTEREST OF AN ELECTRIC COMPANY OR ASSIGNEE IN A QUALIFIED RATE~~  
13 ~~ORDER, INCLUDING:~~

14           (1)     ~~ALL RIGHTS IN, TO, AND UNDER THE ORDER, INCLUDING RIGHTS TO~~  
15 ~~REVENUES, COLLECTIONS, CLAIMS, PAYMENTS, MONEY, OR OTHER PROPERTY AND~~  
16 ~~AMOUNTS ARISING FROM THE IMPOSITION OF INTANGIBLE TRANSITION CHARGES~~  
17 ~~UNDER THE ORDER; AND~~

18           (2)     ~~IN THE HANDS OF AN ASSIGNEE:~~

19           (I)     ~~THE RIGHT TO REQUIRE THE ELECTRIC COMPANY TO PROVIDE~~  
20 ~~ELECTRIC SERVICES, AND TO COLLECT AND REMIT THE INTANGIBLE TRANSITION~~  
21 ~~CHARGES AUTHORIZED IN THE QUALIFIED RATE ORDER; BUT~~

22           (II)    ~~NOT THE RIGHT OR DUTY TO PROVIDE ELECTRIC SERVICES.~~

23     ~~(K)     (L)     "PUBLIC PURPOSE PROGRAM" MEANS:~~

24           (1)     ~~A UNIVERSAL SERVICE PROGRAM;~~

25           (2)     ~~A PROGRAM ENCOURAGING RENEWABLE ENERGY RESOURCES; OR~~

26           (3)     ~~ANOTHER PROGRAM IMPLEMENTED WITH THE INTENTION OF~~  
27 ~~FURTHERING A PUBLIC PURPOSE.~~

28     ~~(L)     (M)     "QUALIFIED RATE ORDER" MEANS AN ORDER OF THE COMMISSION~~  
29 ~~APPROVING ONE OR MORE INTANGIBLE TRANSITION CHARGES.~~

30     ~~(M)     (N)     "STANDARD OFFER SERVICE" MEANS ELECTRIC SERVICE THAT AN~~  
31 ~~ELECTRIC COMPANY MUST OFFER TO ITS CUSTOMERS UNDER § 7-510(C) OF THIS~~  
32 ~~SUBTITLE.~~

33     ~~(N)     (O)     "TRANSITION BOND" MEANS A BOND, DEBENTURE, NOTE,~~  
34 ~~CERTIFICATE OF PARTICIPATION OR BENEFICIAL INTEREST, OR OTHER EVIDENCE~~  
35 ~~OF INDEBTEDNESS OR OWNERSHIP, APPROVED IN A QUALIFIED RATE ORDER AND~~  
36 ~~ISSUED UNDER AN EXECUTED TRUST INDENTURE OR OTHER AGREEMENT OF AN~~

~~1 ELECTRIC COMPANY OR ASSIGNEE, AND WHICH IS SECURED BY, EVIDENCES  
2 OWNERSHIP INTEREST IN, OR IS PAYABLE FROM INTANGIBLE TRANSITION  
3 PROPERTY.~~

~~4 (O) (P) "TRANSITION COSTS COST" MEANS A COST, LIABILITY, OR  
5 INVESTMENT THAT:~~

~~6 (1) TRADITIONALLY WOULD HAVE BEEN OR WOULD BE RECOVERABLE  
7 UNDER RATE OF RETURN REGULATION, INCLUDING RETAIL RATES FOR THE  
8 PROVISION OF ELECTRIC SERVICE, BUT WHICH MAY NOT BE RECOVERABLE IN A  
9 RESTRUCTURED ELECTRICITY SUPPLY MARKET, OR WHICH ARISE AS A RESULT OF  
10 ELECTRIC INDUSTRY RESTRUCTURING; AND~~

~~11 (2) IS RELATED TO THE CREATION OF CUSTOMER CHOICE.~~

~~12 (1) TRADITIONALLY WOULD HAVE BEEN OR WOULD BE RECOVERABLE  
13 UNDER RATE OF RETURN REGULATION BUT WHICH MAY NOT BE RECOVERABLE IN  
14 A RESTRUCTURED ELECTRICITY SUPPLY MARKET; OR~~

~~15 (2) ARISES AS A RESULT OF ELECTRIC INDUSTRY RESTRUCTURING AND  
16 IS RELATED TO THE CREATION OF CUSTOMER CHOICE.~~

~~17 (P) (Q) (1) "UNIVERSAL SERVICE PROGRAM" MEANS A POLICY,  
18 PROTECTION, OR SERVICE THAT HELPS LOW INCOME CUSTOMERS MAINTAIN  
19 ELECTRIC SERVICE.~~

~~20 (2) "UNIVERSAL SERVICE PROGRAM" INCLUDES CUSTOMER ASSISTANCE  
21 BILL REDUCTION AND AFFORDABILITY, PROGRAMS, TERMINATION OF SERVICE  
22 PROTECTION, AND POLICIES AND SERVICES THAT HELP LOW INCOME CUSTOMERS  
23 TO REDUCE OR MANAGE ENERGY CONSUMPTION IN A COST EFFECTIVE MANNER.~~

~~24 7-502. RESERVED.~~

~~25 7-503. RESERVED.~~

~~26 PART II. ELECTRIC INDUSTRY RESTRUCTURING ENABLED.~~

~~27 7-504.~~

~~28 THE GENERAL ASSEMBLY FINDS AND DECLARES THAT THE PURPOSE OF THIS  
29 SUBTITLE IS TO:~~

~~30 (1) MODIFY AND CLARIFY EXISTING LAW TO ESTABLISH CUSTOMER  
31 CHOICE OF ELECTRICITY SUPPLY AND ELECTRICITY SUPPLY SERVICES;~~

~~32 (2) CREATE COMPETITIVE RETAIL ELECTRICITY SUPPLY AND  
33 ELECTRICITY SUPPLY SERVICES MARKETS; AND~~

~~34 (3) DEREGULATE THE GENERATION, SUPPLY, AND PRICING OF  
35 ELECTRICITY.~~

1 7-505.

2 (A) ~~IN ASSESSING AND APPROVING EACH ELECTRIC COMPANY'S~~  
 3 ~~RESTRUCTURING PLAN, AND OVERSEEING THE TRANSITION PROCESS AND~~  
 4 ~~REGULATION OF THE RESTRUCTURED ELECTRIC INDUSTRY, THE COMMISSION~~  
 5 ~~SHALL PROVIDE THAT THE TRANSITION TO A COMPETITIVE ELECTRICITY SUPPLY~~  
 6 ~~AND ELECTRICITY SUPPLY SERVICES MARKET SHALL BE ORDERLY, MAINTAIN~~  
 7 ~~ELECTRIC SYSTEM RELIABILITY, ENSURE COMPLIANCE WITH FEDERAL AND STATE~~  
 8 ~~ENVIRONMENTAL REGULATIONS, AND BE FAIR TO CUSTOMERS, ELECTRIC COMPANY~~  
 9 ~~INVESTORS, ELECTRIC COMPANIES, AND ELECTRICITY SUPPLIERS, AND PROVIDE~~  
 10 ~~ECONOMIC BENEFITS TO ALL CUSTOMER CLASSES.~~

11 (B) ~~(1) THE COMMISSION SHALL ISSUE THE ORDERS OR ADOPT~~  
 12 ~~REGULATIONS REQUIRED UNDER THIS SUBSECTION BEFORE THE IMPLEMENTATION~~  
 13 ~~OF CUSTOMER CHOICE.~~

14 (B) ~~(1) (2) (1) THE COMMISSION MAY SHALL ORDER EACH ELECTRIC~~  
 15 ~~COMPANY, IN CONJUNCTION WITH THE COMMISSION, THE OFFICE OF PEOPLE'S~~  
 16 ~~COUNSEL, AND OTHER PARTIES, TO IMPLEMENT A CONSUMER EDUCATION~~  
 17 ~~PROGRAM INFORMING CUSTOMERS OF CHANGES IN THE ELECTRIC INDUSTRY.~~

18 ~~(H) 1: AS PART OF THE CONSUMER EDUCATION PROGRAM~~  
 19 ~~UNDER THIS PARAGRAPH, THE OFFICE OF THE ATTORNEY GENERAL, DIVISION OF~~  
 20 ~~CONSUMER PROTECTION, SHALL DEVELOP AND MAINTAIN INFORMATION AS TO~~  
 21 ~~RATES AND SERVICES OF THE ELECTRICITY SUPPLIERS LICENSED IN MARYLAND TO~~  
 22 ~~SERVE SMALL COMMERCIAL AND RESIDENTIAL ELECTRIC CUSTOMERS.~~

23 ~~2: THE INFORMATION REQUIRED IN THIS SUBPARAGRAPH~~  
 24 ~~SHALL BE:~~

25 ~~A: READILY UNDERSTANDABLE AND FORMATTED AS TO~~  
 26 ~~PROVIDE A COMPARISON OF RATES AND SERVICES AMONG SUPPLIERS OF SIMILAR~~  
 27 ~~SERVICES; AND~~

28 ~~B: MADE AVAILABLE TO THE PUBLIC THROUGH THE~~  
 29 ~~DIVISION'S ORDINARY MEANS OF PUBLICATION, WHICH SHALL INCLUDE~~  
 30 ~~PUBLICATION ON THE INTERNET.~~

31 ~~(2) (3) THE COMMISSION SHALL ORDER UNIVERSAL SERVICE~~  
 32 ~~PROGRAMS TO BE MADE AVAILABLE IN EACH ELECTRIC COMPANY'S DISTRIBUTION~~  
 33 ~~TERRITORY ON A STATEWIDE BASIS TO LOW INCOME CUSTOMERS.~~

34 ~~(3) (4) (1) THE COMMISSION MAY SHALL ORDER AN ELECTRIC~~  
 35 ~~COMPANY TO ADOPT POLICIES AND PRACTICES REASONABLY DESIGNED TO~~  
 36 ~~PREVENT:~~

37 ~~(1) PREVENT UNDUE DISCRIMINATION IN FAVOR OF THE~~  
 38 ~~ELECTRIC COMPANY'S OWN ELECTRICITY SUPPLY, OTHER SERVICES, DIVISIONS, OR~~  
 39 ~~AFFILIATES, IF ANY; AND~~

1 ~~1. DISCRIMINATION AGAINST A PERSON, LOCALITY, OR~~  
2 ~~PARTICULAR CLASS OF SERVICE OR GIVE UNDUE OR UNREASONABLE PREFERENCE~~  
3 ~~IN FAVOR OF THE ELECTRIC COMPANY'S OWN ELECTRICITY SUPPLY, OTHER~~  
4 ~~SERVICES, DIVISIONS, OR AFFILIATES, IF ANY; AND~~

5 ~~(H) 2. PREVENT ANY OTHER FORMS OF SELF DEALING OR~~  
6 ~~PRACTICES THAT COULD RESULT IN NONCOMPETITIVE ELECTRICITY PRICES TO~~  
7 ~~CUSTOMERS.~~

8 ~~(H) THE COMMISSION SHALL ORDER AN AGGREGATOR TO ADOPT~~  
9 ~~POLICIES AND PRACTICES DESIGNED TO PREVENT SELF DEALING OR PRACTICES~~  
10 ~~THAT COULD RESULT IN NONCOMPETITIVE ELECTRICITY PRICES TO CUSTOMERS.~~

11 ~~(4) (5) THE COMMISSION MAY SHALL, BY REGULATION OR ORDER,~~  
12 ~~REQUIRE EACH ELECTRIC COMPANY AND ELECTRICITY SUPPLIER TO PROVIDE~~  
13 ~~ADEQUATE AND ACCURATE CUSTOMER INFORMATION ON THE AVAILABLE ELECTRIC~~  
14 ~~SERVICES OF THE ELECTRIC COMPANY OR ELECTRICITY SUPPLIER, INCLUDING~~  
15 ~~DISCLOSURE ON A QUARTERLY BASIS OF A UNIFORM COMMON SET OF INFORMATION~~  
16 ~~ABOUT THE FUEL MIX OF THE ELECTRICITY PURCHASED BY CUSTOMERS INCLUDING~~  
17 ~~CATEGORIES OF ELECTRICITY FROM RENEWABLE ENERGY RESOURCES, COAL,~~  
18 ~~NATURAL GAS, NUCLEAR, OIL, AND OTHER RESOURCES, OR DISCLOSURE OF A~~  
19 ~~REGIONAL AVERAGE. OF:~~

20 ~~(4) A UNIFORM COMMON SET OF INFORMATION ABOUT THE FUEL~~  
21 ~~MIX OF THE ELECTRICITY PURCHASED BY CUSTOMERS INCLUDING CATEGORIES OF~~  
22 ~~ELECTRICITY FROM COAL, NATURAL GAS, NUCLEAR, OIL, HYDROELECTRIC, SOLAR,~~  
23 ~~BIOMASS, WIND, AND OTHER RESOURCES, OR DISCLOSURE OF A REGIONAL~~  
24 ~~AVERAGE; AND~~

25 ~~(H) THE EMISSIONS, ON A POUND PER MEGAWATT HOUR BASIS, OF~~  
26 ~~POLLUTANTS IDENTIFIED BY THE COMMISSION, OR DISCLOSURE OF A REGIONAL~~  
27 ~~AVERAGE.~~

28 ~~(6) THE COMMISSION SHALL ISSUE ORDERS OR REGULATIONS TO~~  
29 ~~PREVENT AN ELECTRIC COMPANY AND AN ELECTRICITY SUPPLIER FROM~~  
30 ~~DISCLOSING A RETAIL CUSTOMER'S BILLING, PAYMENT, AND CREDIT INFORMATION~~  
31 ~~WITHOUT THE RETAIL CUSTOMER'S CONSENT, EXCEPT AS ALLOWED BY THE~~  
32 ~~COMMISSION FOR BILL COLLECTION OR CREDIT RATING REPORTING PURPOSES.~~

33 ~~(7) AN ELECTRICITY SUPPLIER MAY NOT ENGAGE IN UNFAIR, FALSE,~~  
34 ~~MISLEADING, OR DECEPTIVE MARKETING, ADVERTISING, OR TRADE PRACTICES.~~

35 ~~(5) (8) THE COMMISSION SHALL, BY REGULATION OR ORDER, REQUIRE~~  
36 ~~THE UNBUNDLING OF ELECTRIC COMPANY RATES, CHARGES, AND SERVICES INTO~~  
37 ~~CATEGORIES THAT THE COMMISSION DETERMINES. THE COMMISSION MAY~~  
38 ~~REBUNDLE RATES OR CHARGES FOR BILLING PURPOSES. THE COMMISSION SHALL~~  
39 ~~ORDER THE BILLING AGENT TO SEPARATE BILLING TO INDICATE CHARGES FOR:~~

40 ~~(4) DISTRIBUTION AND TRANSMISSION;~~

- 1                   ~~(II)~~    ~~TRANSITION CHARGE OR CREDIT;~~
- 2                   ~~(III)~~   ~~UNIVERSAL SERVICE PROGRAM CHARGES;~~
- 3                   ~~(IV)~~   ~~CUSTOMER CHARGES;~~
- 4                   ~~(V)~~     ~~TAXES; AND~~
- 5                   ~~(VI)~~   ~~OTHER CHARGES IDENTIFIED BY THE COMMISSION.~~
- 6                   (6)    ~~(9)~~     THE COMMISSION SHALL DETERMINE THE TERMS,  
7 CONDITIONS, AND RATES OF STANDARD OFFER SERVICE UNDER TITLE 4 OF THIS  
8 ARTICLE.
- 9                   (7)    ~~(10)~~   IN CONNECTION WITH § 7-513 OF THIS SUBTITLE, THE  
10 COMMISSION MAY NOT REQUIRE AN ELECTRIC COMPANY TO DIVEST ITSELF OF A  
11 GENERATION ASSET OR PROHIBIT AN ELECTRIC COMPANY FROM DIVESTING ITSELF  
12 VOLUNTARILY OF A GENERATION ASSET.
- 13                  (8)    ~~(11)~~   ON OR BEFORE JULY 1, 2000, THE COMMISSION SHALL, BY  
14 REGULATION OR ORDER, ENSURE THE CREATION OF COMPETITIVE ELECTRICITY  
15 SUPPLY AND ELECTRICITY SUPPLY SERVICES MARKETS, WITH APPROPRIATE  
16 CUSTOMER SAFEGUARDS. IN DOING SO, THE COMMISSION SHALL CONSIDER, AMONG  
17 OTHER FACTORS BY REQUIRING, THE FOLLOWING SAFEGUARDS:
- 18                   (I)     AN APPROPRIATE CODE OF CONDUCT BETWEEN THE ELECTRIC  
19 COMPANY AND ANY AN AFFILIATE PROVIDING ELECTRICITY SUPPLY AND  
20 ELECTRICITY SUPPLY SERVICES IN THE STATE;
- 21                   (II)    ACCESS BY ELECTRICITY SUPPLIERS AND CUSTOMERS TO THE  
22 ELECTRIC COMPANY'S TRANSMISSION AND DISTRIBUTION SYSTEM ON A  
23 NONDISCRIMINATORY BASIS;
- 24                   (III)   FUNCTIONAL, OPERATIONAL, STRUCTURAL, OR LEGAL  
25 SEPARATION BETWEEN THE ELECTRIC COMPANY'S REGULATED BUSINESSES AND  
26 ITS NONREGULATED BUSINESSES OR NONREGULATED AFFILIATES; AND
- 27                   (IV)   APPROPRIATE COMPLAINT AND ENFORCEMENT PROCEDURES.
- 28                   (9)    ~~(12)~~   AN ELECTRIC COMPANY SHALL COMPLY WITH ALL  
29 REQUIREMENTS OF THE COMMISSION IN CONDUCTING REGULATED OPERATIONS IN  
30 COMPLIANCE WITH THIS ARTICLE. IN ADDITION, THE COMMISSION SHALL REQUIRE  
31 EACH ELECTRIC COMPANY TO ADOPT A CODE OF CONDUCT BEFORE JULY 1, 2000  
32 THAT HAS BEEN APPROVED BY THE COMMISSION TO PREVENT REGULATED SERVICE  
33 CUSTOMERS FROM SUBSIDIZING THE SERVICES OF UNREGULATED BUSINESSES OR  
34 AFFILIATES OF THE ELECTRIC COMPANY. HOWEVER, NOTHING IN THIS SUBTITLE  
35 MAY BE CONSTRUED TO GIVE THE COMMISSION THE AUTHORITY TO REGULATE AN  
36 AFFILIATE OF AN ELECTRIC COMPANY WITH RESPECT TO ANY NONREGULATED  
37 BUSINESS OR ACTIVITIES OF THE AFFILIATE.



1           ~~(13) THE DEPARTMENT OF THE ENVIRONMENT, IN CONSULTATION WITH~~  
2 ~~THE COMMISSION, SHALL EVALUATE EXISTING PROGRAMS TO MAINTAIN~~  
3 ~~ENVIRONMENTAL REGULATIONS AND EVALUATE ANY NEW PROGRAMS AS~~  
4 ~~APPROPRIATE TO ENSURE COMPLIANCE WITH FEDERAL AND STATE~~  
5 ~~ENVIRONMENTAL REGULATIONS.~~

6           ~~(14) NOTHING IN THIS SUBTITLE MAY OPERATE TO PREVENT THE~~  
7 ~~APPLICATION OF STATE CONSUMER PROTECTION AND ANTITRUST STATUTES~~  
8 ~~APPLICABLE TO ELECTRIC COMPANIES AND THEIR AFFILIATES AND TO ELECTRICITY~~  
9 ~~SUPPLIERS.~~

10       ~~(C) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, INCLUDING~~  
11 ~~SUBSECTION (D) OF THIS SECTION, THE COMMISSION MAY REGULATE THE~~  
12 ~~REGULATED SERVICES OF AN ELECTRIC COMPANY THROUGH ALTERNATIVE FORMS~~  
13 ~~OF REGULATION.~~

14           ~~(2) THE COMMISSION MAY ADOPT AN ALTERNATIVE FORM OF~~  
15 ~~REGULATION UNDER THIS SECTION IF THE COMMISSION FINDS, AFTER NOTICE AND~~  
16 ~~HEARING, THAT THE ALTERNATIVE FORM OF REGULATION:~~

17                   ~~(I) PROTECTS CONSUMERS;~~

18                   ~~(II) ENSURES THE QUALITY, AVAILABILITY, AND RELIABILITY OF~~  
19 ~~REGULATED ELECTRIC SERVICES; AND~~

20                   ~~(III) IS IN THE INTEREST OF THE PUBLIC, INCLUDING~~  
21 ~~SHAREHOLDERS OF THE ELECTRIC COMPANY.~~

22           ~~(3) ALTERNATIVE FORMS OF REGULATION MAY INCLUDE:~~

23                   ~~(I) PRICE REGULATION, INCLUDING PRICE FREEZES OR CAPS;~~

24                   ~~(II) REVENUE REGULATION;~~

25                   ~~(III) RANGES OF AUTHORIZED RETURN;~~

26                   ~~(IV) RATE OF RETURN;~~

27                   ~~(V) CATEGORIES OF SERVICES; OR~~

28                   ~~(VI) PRICE INDEXING.~~

29       ~~(D) (1) THE COMMISSION SHALL FREEZE OR CAP, FOR 4 YEARS AFTER~~  
30 ~~INITIAL IMPLEMENTATION OF CUSTOMER CHOICE IN THE ELECTRIC COMPANY'S~~  
31 ~~DISTRIBUTION TERRITORY, THE TOTAL OF THE RATES OF AN ELECTRIC COMPANY~~  
32 ~~CHARGED TO A RETAIL ELECTRIC CUSTOMER AT THE ACTUAL LEVEL OF THE RATES~~  
33 ~~IN EFFECT OR AUTHORIZED BY THE COMMISSION ON THE DATE IMMEDIATELY~~  
34 ~~PRECEDING THE INITIAL IMPLEMENTATION OF CUSTOMER CHOICE IN THE~~  
35 ~~ELECTRIC COMPANY'S DISTRIBUTION TERRITORY.~~

1           (2)     ~~THE FREEZE OR CAP SHALL NOT APPLY TO THE RECOVERY OF COSTS~~  
 2 ~~UNDER § 7-512(A) THROUGH (C) OF THIS SUBTITLE THAT ARE NOT INCLUDED IN~~  
 3 ~~RATES ON JANUARY 1, 2000 EXCEPT FOR COSTS FOR THE UNIVERSAL SERVICE~~  
 4 ~~PROGRAM UNDER § 7-516 OF THIS SUBTITLE. THE FREEZE OR CAP SHALL APPLY TO~~  
 5 ~~THE RECOVERY OF ANY TRANSITION COSTS UNDER § 7-513 AND THE RECOVERY OF~~  
 6 ~~COSTS FOR THE UNIVERSAL SERVICE PROGRAM UNDER § 7-516 OF THIS SUBTITLE.~~

7           (3)     ~~AS PART OF A SETTLEMENT, THE COMMISSION MAY APPROVE A~~  
 8 ~~FREEZE OR CAP FOR A DIFFERENT TIME PERIOD OR AN ALTERNATIVE PRICE~~  
 9 ~~PROTECTION PLAN THAT IS EQUALLY PROTECTIVE OF RATEPAYERS.~~

10          (4)     ~~(I)     BY JULY 1, 2000, THE COMMISSION SHALL REDUCE~~  
 11 ~~RESIDENTIAL RATES FOR EACH INVESTOR OWNED ELECTRIC COMPANY BY AN~~  
 12 ~~AMOUNT BETWEEN 3% AND 7% OF BASE RATES AS OF JUNE 30, 1999. THAT~~  
 13 ~~REDUCTION SHALL REMAIN IN EFFECT UNTIL THE LATER OF JULY 1, 2003 AND THE~~  
 14 ~~DATE WHEN ALL RESIDENTIAL CUSTOMERS HAVE THE RIGHT TO ELECT CUSTOMER~~  
 15 ~~CHOICE IN ELECTRIC SUPPLY.~~

16           ~~(II)     IN ACHIEVING THE RATE REDUCTION UNDER THIS~~  
 17 ~~PARAGRAPH, THE COMMISSION MAY CONSIDER:~~

- 18                     ~~1:     THE EXPIRATION OF SURCHARGES;~~
- 19                     ~~2:     CHANGES IN AN ELECTRIC COMPANY'S TAX LIABILITY;~~
- 20                     ~~3:     COST OF SERVICE DETERMINATIONS ORDERED BY THE~~  
 21 ~~COMMISSION;~~
- 22                     ~~4:     NET TRANSITION COSTS; AND~~
- 23                     ~~5:     THE EFFECT OF THE RATE REDUCTION ON THE~~  
 24 ~~COMPETITIVE ELECTRICITY SUPPLY MARKET.~~

25           ~~(III)    THE COMMISSION MAY INCREASE OR DECREASE THE ACTUAL~~  
 26 ~~RATE REDUCTION REQUIRED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH OR ALLOW~~  
 27 ~~THE RECOVERY OF ANY EXTRAORDINARY COSTS BASED ON INDIVIDUAL ELECTRIC~~  
 28 ~~COMPANY CIRCUMSTANCES IF IT DETERMINES THAT THE ACTION IS NECESSARY~~  
 29 ~~AND IN THE PUBLIC INTEREST.~~

30           ~~(IV)    IN DETERMINING THE RATE REDUCTIONS UNDER~~  
 31 ~~SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE COMMISSION MAY NOT INCREASE~~  
 32 ~~RATES FOR NONRESIDENTIAL CUSTOMERS.~~

33           (5)     ~~THE REQUIREMENT OF PARAGRAPH (4) OF THIS SUBSECTION MAY~~  
 34 ~~NOT APPLY TO AN ELECTRIC COMPANY IF THE COMMISSION APPROVES A~~  
 35 ~~SETTLEMENT THAT IS EQUALLY PROTECTIVE OF RATEPAYERS.~~

1 ~~7-506.~~

2 (A) ~~THE ELECTRIC COMPANY IN A DISTRIBUTION TERRITORY SHALL PROVIDE~~  
3 ~~AND BE RESPONSIBLE FOR DISTRIBUTION SERVICES IN THE TERRITORY.~~

4 (B) ~~THE ELECTRIC COMPANY SHALL PROVIDE DISTRIBUTION SERVICES IN ITS~~  
5 ~~DISTRIBUTION TERRITORY TO ALL CUSTOMERS AND ELECTRICITY SUPPLIERS ON~~  
6 ~~RATES, TERMS OF ACCESS, AND CONDITIONS THAT ARE COMPARABLE TO THE~~  
7 ~~ELECTRIC COMPANY'S OWN USE OF ITS DISTRIBUTION SYSTEM.~~

8 (C) ~~EACH ELECTRIC COMPANY SHALL MAINTAIN THE RELIABILITY OF ITS~~  
9 ~~DISTRIBUTION SYSTEM IN ACCORDANCE WITH APPLICABLE ORDERS, TARIFFS, AND~~  
10 ~~REGULATIONS OF THE COMMISSION.~~

11 (D) ~~THE ELECTRIC COMPANY MUST CONNECT CUSTOMERS AND DELIVER~~  
12 ~~ELECTRICITY ON BEHALF OF ELECTRICITY SUPPLIERS CONSISTENT WITH THE~~  
13 ~~PROVISIONS OF THIS ARTICLE.~~

14 (E) (1) ~~AN ELECTRICITY SUPPLIER MAY NOT DISCRIMINATE AGAINST ANY~~  
15 ~~CUSTOMER BASED WHOLLY OR PARTLY ON RACE, COLOR, CREED, NATIONAL ORIGIN,~~  
16 ~~OR SEX OF AN APPLICANT FOR SERVICE OR FOR ANY ARBITRARY, CAPRICIOUS, OR~~  
17 ~~UNFAIRLY DISCRIMINATORY REASON.~~

18 (2) ~~AN ELECTRICITY SUPPLIER MAY NOT REFUSE TO PROVIDE SERVICE~~  
19 ~~TO A CUSTOMER EXCEPT BY THE APPLICATION OF STANDARDS THAT ARE~~  
20 ~~REASONABLY RELATED TO THE ELECTRICITY SUPPLIER'S ECONOMIC AND BUSINESS~~  
21 ~~PURPOSES.~~

22 (F) ~~AN ELECTRIC COMPANY SHALL PROVIDE STANDARD OFFER SERVICE~~  
23 ~~UNDER § 7-510 OF THIS SUBTITLE.~~

24 ~~7-507.~~

25 (A) ~~A PERSON, OTHER THAN AN ELECTRIC COMPANY PROVIDING STANDARD~~  
26 ~~OFFER SERVICE UNDER § 7-510(C) OF THIS SUBTITLE OR A MUNICIPAL UTILITY~~  
27 ~~SERVING CUSTOMERS SOLELY IN ITS DISTRIBUTION TERRITORY, MAY NOT ENGAGE~~  
28 ~~IN THE BUSINESS OF AN ELECTRICITY SUPPLIER IN THE STATE UNLESS THE PERSON~~  
29 ~~HOLDS A LICENSE ISSUED BY THE COMMISSION.~~

30 (B) ~~AN APPLICATION FOR AN ELECTRICITY SUPPLIER LICENSE SHALL:~~

31 (1) ~~BE MADE TO THE COMMISSION IN WRITING ON A FORM ADOPTED BY~~  
32 ~~THE COMMISSION;~~

33 (2) ~~BE VERIFIED BY OATH OR AFFIRMATION; AND~~

34 (3) ~~CONTAIN INFORMATION THAT THE COMMISSION REQUIRES.~~

35 (C) ~~THE COMMISSION MAY SHALL, BY REGULATION OR ORDER:~~

36 (1) ~~REQUIRE PROOF OF FINANCIAL INTEGRITY;~~

1           (2)     ~~REQUIRE A LICENSEE TO POST A BOND OR OTHER SIMILAR~~  
2 ~~INSTRUMENT, IF, IN THE COMMISSION'S JUDGMENT, THE BOND OR SIMILAR~~  
3 ~~INSTRUMENT IS NECESSARY TO INSURE AN ELECTRICITY SUPPLIER'S FINANCIAL~~  
4 ~~INTEGRITY;~~

5           (3)     ~~REQUIRE A LICENSEE TO:~~

6                   (I)     ~~PROVIDE PROOF THAT IT HAS REGISTERED QUALIFIED TO DO~~  
7 ~~BUSINESS IN THE STATE WITH THE DEPARTMENT OF ASSESSMENTS AND TAXATION;~~  
8 ~~AND~~

9                   (II)    ~~AGREE TO BE SUBJECT TO ALL APPLICABLE TAXES; AND AND~~

10                   (III)   ~~MAINTAIN ON FILE WITH THE COMMISSION THE LICENSEE'S~~  
11 ~~CERTIFICATION THAT ALL APPLICABLE FEDERAL AND REGIONAL RELIABILITY~~  
12 ~~REQUIREMENTS AND REQUIREMENTS OF ANY APPLICABLE INDEPENDENT SYSTEM~~  
13 ~~OPERATOR ARE SATISFIED; AND~~

14           (4)     ~~ADOPT ANY OTHER REQUIREMENTS IT FINDS TO BE IN THE PUBLIC~~  
15 ~~INTEREST, WHICH MAY INCLUDE DIFFERENT REQUIREMENTS FOR:~~

16                   (I)     ~~ELECTRICITY SUPPLIERS THAT SERVE ONLY LARGE~~  
17 ~~CUSTOMERS; AND~~

18                   (II)    ~~THE DIFFERENT CATEGORIES OF ELECTRICITY SUPPLIERS.~~

19    (D)     ~~A LICENSE ISSUED UNDER THIS SECTION MAY NOT BE TRANSFERRED~~  
20 ~~WITHOUT PRIOR COMMISSION APPROVAL.~~

21    (E)     ~~THE COMMISSION MAY SHALL ADOPT REGULATIONS OR ISSUE ORDERS~~  
22 ~~BEFORE THE IMPLEMENTATION OF CUSTOMER CHOICE TO:~~

23           (1)     ~~PROTECT CONSUMERS, ELECTRIC COMPANIES, AND ELECTRICITY~~  
24 ~~SUPPLIERS FROM ANTICOMPETITIVE AND ABUSIVE PRACTICES; AND~~

25           (2)     ~~REQUIRE EACH ELECTRICITY SUPPLIER TO PROVIDE ADEQUATE AND~~  
26 ~~ACCURATE CUSTOMER INFORMATION TO ENABLE CUSTOMERS TO MAKE INFORMED~~  
27 ~~CHOICES REGARDING THE PURCHASE OF ANY ELECTRICITY SERVICES OFFERED BY~~  
28 ~~THE ELECTRICITY SUPPLIER.~~

29    (F)     ~~ELECTRICITY BILLS PROVIDED TO CONSUMERS MUST BE PREPARED AND~~  
30 ~~ISSUED IN ACCORDANCE WITH REGULATIONS OR ORDERS OF THE COMMISSION.~~

31    (G)     (1)     ~~AN ELECTRICITY SUPPLIER OR ANY PERSON OR GOVERNMENTAL~~  
32 ~~UNIT MAY NOT MAKE ANY CHANGE IN THE ELECTRICITY SUPPLIER FOR A CUSTOMER~~  
33 ~~OR ADD NEW SERVICES TO A CUSTOMER'S EXISTING ELECTRICITY SERVICE OPTIONS~~  
34 ~~WITHOUT FIRST OBTAINING THE CUSTOMER'S PERMISSION.~~

1           ~~(2) THE COMMISSION SHALL ADOPT REGULATIONS OR ISSUE ORDERS~~  
2 ~~ESTABLISHING PROCEDURES TO PREVENT UNAUTHORIZED SWITCHING THE~~  
3 ~~PRACTICES DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION.~~

4           ~~(H) (1) THE COMMISSION MAY REVOKE OR SUSPEND THE LICENSE OF AN~~  
5 ~~ELECTRICITY SUPPLIER, IMPOSE A CIVIL PENALTY, ORDER A REFUND OR CREDIT TO~~  
6 ~~A CUSTOMER, ORDER CANCELLATION OF CONTRACT, OR IMPOSE A MORATORIUM ON~~  
7 ~~ADDING OR SOLICITING ADDITIONAL CUSTOMERS BY THE ELECTRICITY SUPPLIER,~~  
8 ~~FOR JUST CAUSE ON THE COMMISSION'S OWN INVESTIGATION OR ON COMPLAINT OF~~  
9 ~~THE OFFICE OF PEOPLE'S COUNSEL, THE ATTORNEY GENERAL, OR AN AFFECTED~~  
10 ~~PARTY.~~

11           ~~(2) A CIVIL PENALTY MAY BE IMPOSED IN ADDITION TO THE~~  
12 ~~COMMISSION'S DECISION TO REVOKE, SUSPEND, OR IMPOSE A MORATORIUM.~~

13           ~~(3) JUST CAUSE INCLUDES:~~

14                   ~~(I) INTENTIONALLY PROVIDING FALSE INFORMATION TO THE~~  
15 ~~COMMISSION;~~

16                   ~~(II) SWITCHING, OR CAUSING TO BE SWITCHED, THE ELECTRICITY~~  
17 ~~SUPPLY FOR A CUSTOMER WITHOUT FIRST OBTAINING THE CUSTOMER'S~~  
18 ~~PERMISSION;~~

19                   ~~(III) FAILING TO PROVIDE ELECTRICITY FOR ITS CUSTOMERS;~~

20                   ~~(IV) COMMITTING FRAUD OR ENGAGING IN DECEPTIVE PRACTICES;~~

21                   ~~(V) FAILING TO MAINTAIN FINANCIAL INTEGRITY;~~

22                   ~~(VI) VIOLATING A COMMISSION REGULATION OR ORDER; AND~~

23                   ~~(VII) FAILING TO PAY APPLICABLE STATE OR LOCAL TAXES.~~

24           ~~(I) (1) THE COMMISSION SHALL ASSESS THE AMOUNT OF ELECTRICITY~~  
25 ~~GENERATED IN MARYLAND AS WELL AS THE AMOUNT OF ELECTRICITY IMPORTED~~  
26 ~~FROM OTHER STATES IN ORDER TO DETERMINE WHETHER A SUFFICIENT SUPPLY OF~~  
27 ~~ELECTRICITY IS AVAILABLE TO CUSTOMERS IN THE STATE.~~

28           ~~(2) ON OR BEFORE JANUARY 1 IN 2001, 2003, 2005, AND 2007, THE~~  
29 ~~COMMISSION SHALL REPORT TO THE GENERAL ASSEMBLY IN ACCORDANCE WITH §~~  
30 ~~2-1246 OF THE STATE GOVERNMENT ARTICLE ON ITS ASSESSMENT UNDER THIS~~  
31 ~~SUBSECTION, AND ANY RECOMMENDATIONS FOR LEGISLATION WHICH MAY BE~~  
32 ~~NEEDED TO ENSURE AN ADEQUATE SUPPLY OF ELECTRICITY FOR CUSTOMERS IN~~  
33 ~~THE STATE.~~

34           ~~(I) (I) (1) AN ELECTRICITY SUPPLIER OR PERSON SELLING OR OFFERING~~  
35 ~~TO SELL ELECTRICITY IN THE STATE IN VIOLATION OF THIS SECTION IS SUBJECT TO:~~

- 1                    (I)     A CIVIL PENALTY OF NOT MORE THAN \$2,500 FOR THE  
2 VIOLATION; OR
- 3                    (H)     LICENSE REVOCATION OR SUSPENSION.
- 4                    (2)     EACH DAY A VIOLATION CONTINUES IS A SEPARATE VIOLATION.
- 5                    (3)     ~~THE COMMISSION SHALL DETERMINE THE AMOUNT OF ANY CIVIL~~  
6 ~~PENALTY. IN MAKING THIS DETERMINATION, THE COMMISSION SHALL CONSIDER:~~
- 7                    (I)     ~~THE NUMBER OF PREVIOUS VIOLATIONS OF ANY PROVISION OF~~  
8 ~~THIS ARTICLE;~~
- 9                    (H)     ~~THE GRAVITY OF THE CURRENT VIOLATION; AND~~
- 10                   (HI)    ~~THE GOOD FAITH OF THE ELECTRICITY SUPPLIER OR PERSON~~  
11 ~~CHARGED IN ATTEMPTING TO ACHIEVE COMPLIANCE AFTER NOTIFICATION OF THE~~  
12 ~~VIOLATION.~~
- 13                   (I)     ~~(K)     IN CONNECTION WITH A CONSUMER COMPLAINT OR COMMISSION~~  
14 ~~INVESTIGATION UNDER THIS SECTION, AN ELECTRICITY SUPPLIER SHALL PROVIDE~~  
15 ~~TO THE COMMISSION ACCESS TO ANY ACCOUNTS, BOOKS, PAPERS, AND DOCUMENTS~~  
16 ~~WHICH THE COMMISSION CONSIDERS NECESSARY TO RESOLVE THE MATTER AT~~  
17 ~~ISSUE.~~
- 18                   (K)     ~~(L)     THE COMMISSION MAY ORDER THE ELECTRICITY SUPPLIER TO~~  
19 ~~CEASE ADDING OR SOLICITING ADDITIONAL CUSTOMERS OR TO CEASE SERVING~~  
20 ~~CUSTOMERS IN THE STATE.~~
- 21                   (M)     ~~AN ELECTRICITY SUPPLIER SHALL BE SUBJECT TO ALL APPLICABLE~~  
22 ~~FEDERAL AND STATE ENVIRONMENTAL LAWS AND REGULATIONS.~~
- 23                   (N)     ~~AN ELECTRICITY SUPPLIER SHALL PUBLISH ON THE INTERNET~~  
24 ~~INFORMATION THAT IS READILY UNDERSTANDABLE ABOUT ITS SERVICES AND~~  
25 ~~RATES FOR SMALL COMMERCIAL AND RESIDENTIAL ELECTRIC CUSTOMERS.~~
- 26 7-508.
- 27                   (A)     ~~AN ELECTRIC COMPANY MAY TRANSFER ANY OF ITS GENERATION~~  
28 ~~FACILITIES OR GENERATION ASSETS TO AN AFFILIATE.~~
- 29                   (B)     ~~THE TRANSFER OF A GENERATION FACILITY OR GENERATION ASSET MAY~~  
30 ~~NOT AFFECT OR RESTRICT THE COMMISSION'S DETERMINATION OF THE VALUE OF A~~  
31 ~~GENERATION ASSET FOR PURPOSES OF TRANSITION COSTS OR BENEFITS UNDER §~~  
32 ~~7-513(B) OF THIS SUBTITLE.~~
- 33                   (C)     (I)     ~~THIS SUBSECTION IS IN EFFECT UNTIL THE LATER OF THE DATE~~  
34 ~~WHEN:~~
- 35                    (I)     ~~ALL CUSTOMERS OF THE ELECTRIC COMPANY ARE ELIGIBLE~~  
36 ~~FOR CUSTOMER CHOICE UNDER § 7-510 OF THIS SUBTITLE; AND~~

1                   (II)     ~~THE AMOUNT OF TRANSITION COSTS OR BENEFITS ARISING~~  
2 ~~FROM THE GENERATION TO BE TRANSFERRED HAS BEEN FINALLY DETERMINED BY~~  
3 ~~THE COMMISSION UNDER § 7-513(A) THROUGH (C) OF THIS SUBTITLE.~~

4                   (2)     ~~THE COMMISSION MAY REVIEW AND APPROVE THE TRANSFER FOR~~  
5 ~~THE SOLE PURPOSE OF DETERMINING THAT:~~

6                   (I)     ~~THE APPROPRIATE ACCOUNTING HAS BEEN FOLLOWED;~~

7                   (II)    ~~THE TRANSFER DOES NOT OR WOULD NOT RESULT IN AN~~  
8 ~~UNDUE ADVERSE EFFECT ON THE PROPER FUNCTIONING OF A COMPETITIVE~~  
9 ~~ELECTRICITY SUPPLY MARKET; AND~~

10                  (III)   ~~THE APPROPRIATE TRANSFER PRICE AND RATE MAKING~~  
11 ~~TREATMENT.~~

12                  (3)     ~~THE COMMISSION SHALL ACT ON THE TRANSFER OF A GENERATION~~  
13 ~~FACILITY OR GENERATION ASSET UNDER THIS SUBSECTION WITHIN 180 DAYS AFTER~~  
14 ~~THE ELECTRIC COMPANY FILES ITS PROPOSED TRANSFER APPLICATION AND ANY~~  
15 ~~REQUIRED SUPPORTING INFORMATION.~~

16 ~~7-509.~~

17       (A)       (I)     ~~ON AND AFTER THE INITIAL IMPLEMENTATION DATE, THE~~  
18 ~~GENERATION, SUPPLY, AND SALE OF ELECTRICITY, INCLUDING ALL RELATED~~  
19 ~~FACILITIES AND ASSETS, MAY NOT BE REGULATED AS AN ELECTRIC COMPANY~~  
20 ~~SERVICE OR FUNCTION EXCEPT TO:~~

21                   (I)     ~~ESTABLISH THE PRICE FOR STANDARD OFFER SERVICE UNDER~~  
22 ~~§ 7-510(C) OF THIS SUBTITLE; AND~~

23                   (II)    ~~REVIEW AND APPROVE TRANSFERS OF GENERATION ASSETS~~  
24 ~~UNDER § 7-508 OF THIS SUBTITLE.~~

25                  (2)     ~~THIS SUBSECTION DOES NOT APPLY TO:~~

26                   (I)     ~~REGULATION OF AN ELECTRICITY SUPPLIER UNDER § 7-507 OF~~  
27 ~~THIS SUBTITLE; OR~~

28                   (II)    ~~AS PART OF A SETTLEMENT APPROVED OR ORDER ISSUED BY~~  
29 ~~THE COMMISSION THE COSTS OF NUCLEAR GENERATION FACILITIES OR PURCHASED~~  
30 ~~POWER CONTRACTS WHICH REMAIN REGULATED OR ARE RECOVERED THROUGH~~  
31 ~~THE DISTRIBUTION FUNCTION.~~

32       (B)       (1)     ~~EXCEPT FOR AN ELECTRIC COMPANY WHOSE RETAIL PEAK LOAD IN~~  
33 ~~THE STATE ON JANUARY 1, 1999, WAS LESS THAN 1,000 MEGAWATTS, THIS SECTION~~  
34 ~~DOES NOT APPLY TO AN ELECTRIC COMPANY UNTIL THE ELECTRIC COMPANY:~~

1           (1)    ~~(I)~~    TRANSFERS GENERATION FACILITIES AND GENERATION  
2 ASSETS TO AN AFFILIATE OF THE ELECTRIC COMPANY, AND THE AFFILIATE  
3 OPERATES THE FACILITIES AND ASSETS; OR

4           (2)    ~~(II)~~   SELLS THE GENERATION FACILITIES AND GENERATION ASSETS  
5 TO A NONAFFILIATE.

6           ~~(2)~~    ~~FOR AN ELECTRIC COMPANY WHOSE RETAIL PEAK LOAD IN THE~~  
7 ~~STATE ON JANUARY 1, 1999 WAS LESS THAN 1,000 MEGAWATTS, THE COMMISSION~~  
8 ~~MAY REVIEW THE CORPORATE STRUCTURE OF THE ELECTRIC COMPANY IN ORDER~~  
9 ~~TO ENSURE THE STRUCTURE DOES NOT RESULT IN AN UNDUE ADVERSE EFFECT ON~~  
10 ~~THE PROPER FUNCTION OF A COMPETITIVE ELECTRICITY SUPPLY MARKET.~~

11           (3)    ~~THE EXCEPTION PROVIDED IN THIS SUBSECTION, AS IT APPLIES TO~~  
12 ~~INVESTOR OWNED UTILITIES, SHALL EXPIRE AND BE OF NO FURTHER FORCE AND~~  
13 ~~EFFECT ON JANUARY 1, 2001.~~

14    (C)    ~~THE EXCEPTIONS IN SUBSECTION (A)(1) OF THIS SECTION AS TO ANY~~  
15 ~~ELECTRIC COMPANY SHALL REMAIN IN EFFECT UNTIL THE LATER OF THE DATE~~  
16 ~~WHEN:~~

17           (1)    ~~ALL CUSTOMERS OF THAT ELECTRIC COMPANY ARE ELIGIBLE FOR~~  
18 ~~CUSTOMER CHOICE UNDER § 7-510 OF THIS SUBTITLE; AND~~

19           (2)    ~~THE AMOUNT OF TRANSITION COSTS OR BENEFITS ARISING FROM~~  
20 ~~THE GENERATION THAT IS DEREGULATED HAS BEEN FINALLY DETERMINED BY THE~~  
21 ~~COMMISSION UNDER § 7-513(A) THROUGH (C) OF THIS SUBTITLE.~~

22 7-510.

23    (A)    (1)    ~~SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE PHASED~~  
24 ~~IMPLEMENTATION OF CUSTOMER CHOICE SHALL BE IMPLEMENTED AS FOLLOWS:~~

25           (1)    ~~ON JULY 1, 2000, ONE THIRD OF THE RETAIL PEAK LOAD OF~~  
26 ~~EACH CUSTOMER CLASS ONE THIRD OF THE RESIDENTIAL CLASS IN THE STATE OF~~  
27 ~~EACH ELECTRIC COMPANY SHALL HAVE THE OPPORTUNITY FOR CUSTOMER CHOICE;~~

28           (II)   ~~ON JANUARY 1, 2001, THE ENTIRE INDUSTRIAL CLASS AND THE~~  
29 ~~ENTIRE COMMERCIAL CLASS IN THE STATE OF EACH ELECTRIC COMPANY SHALL~~  
30 ~~HAVE THE OPPORTUNITY FOR CUSTOMER CHOICE;~~

31           (II)    (III)   ~~ON JULY 1, 2001, TWO THIRDS OF THE RETAIL PEAK LOAD~~  
32 ~~OF EACH CUSTOMER CLASS TWO THIRDS OF THE RESIDENTIAL CLASS IN THE STATE~~  
33 ~~OF EACH ELECTRIC COMPANY SHALL HAVE THE OPPORTUNITY FOR CUSTOMER~~  
34 ~~CHOICE;~~

35           (III)   (IV)   ~~ON JULY 1, 2002, ALL CUSTOMERS OF EACH ELECTRIC~~  
36 ~~COMPANY SHALL HAVE THE OPPORTUNITY FOR CUSTOMER CHOICE; AND~~



1 ~~(IV) (V) BY JULY 1, 2003, UNDER A SEPARATE SCHEDULE ADOPTED~~  
2 ~~BY THE COMMISSION, ALL CUSTOMERS OF EACH ELECTRIC COOPERATIVE SHALL~~  
3 ~~HAVE THE OPPORTUNITY FOR CUSTOMER CHOICE.~~

4 ~~(2) THE COMMISSION MAY DEVELOP A SEPARATE SCHEDULE FOR~~  
5 ~~MUNICIPAL UTILITIES IN ACCORDANCE WITH SUBSECTION (D) OF THIS SECTION.~~

6 ~~(B) FOR GOOD CAUSE SHOWN AND IF THE COMMISSION FINDS THE ACTION~~  
7 ~~TO BE IN THE PUBLIC INTEREST, THE COMMISSION MAY:~~

8 ~~(1) ACCELERATE OR DELAY THE INITIAL IMPLEMENTATION DATE OF~~  
9 ~~JULY 1, 2000 BY UP TO 3 MONTHS; OR~~

10 ~~(2) ACCELERATE ANY OF THE OTHER IMPLEMENTATION DATES AND~~  
11 ~~PHASE IN PERCENTAGES IN SUBSECTION (A) OF THIS SECTION.~~

12 ~~(C) (1) BEGINNING ON THE INITIAL IMPLEMENTATION DATE, AN ELECTRIC~~  
13 ~~COMPANY'S OBLIGATION TO PROVIDE ELECTRICITY SUPPLY AND ELECTRICITY~~  
14 ~~SUPPLY SERVICE IS STATED BY THIS SUBSECTION.~~

15 ~~(2) ELECTRIC SUPPLY PURCHASED FROM A CUSTOMER'S ELECTRIC~~  
16 ~~COMPANY IS KNOWN AS STANDARD OFFER SERVICE. A CUSTOMER IS CONSIDERED TO~~  
17 ~~HAVE CHOSEN THE STANDARD OFFER SERVICE IF THE CUSTOMER:~~

18 ~~(I) IS NOT ALLOWED TO CHOOSE AN ELECTRICITY SUPPLIER~~  
19 ~~UNDER THE PHASE IN OF CUSTOMER CHOICE IN § 7-510(A) OF THIS SUBTITLE;~~

20 ~~(II) CONTRACTS FOR ELECTRICITY WITH AN ELECTRICITY~~  
21 ~~SUPPLIER AND IT IS NOT DELIVERED;~~

22 ~~(III) CANNOT ARRANGE FOR ELECTRICITY FROM AN ELECTRICITY~~  
23 ~~SUPPLIER; OR~~

24 ~~(IV) DOES NOT CHOOSE AN ELECTRICITY SUPPLIER. OR:~~

25 ~~(V) HAS BEEN DENIED SERVICE OR REFERRED AS A DELINQUENT~~  
26 ~~ACCOUNT TO THE STANDARD OFFER SERVICE PROVIDER BY AN ELECTRIC SUPPLIER~~  
27 ~~OR AGGREGATOR.~~

28 ~~(3) ANY OBLIGATION OF AN ELECTRIC COMPANY TO PROVIDE~~  
29 ~~STANDARD OFFER SERVICE SHALL CEASE ON JULY 1, 2003, EXCEPT THAT:~~

30 ~~(I) ELECTRIC COOPERATIVES AND MUNICIPAL UTILITIES MAY~~  
31 ~~CHOOSE TO CONTINUE PROVIDING STANDARD OFFER SERVICE IN THEIR~~  
32 ~~RESPECTIVE DISTRIBUTION TERRITORIES, AND MAY CEASE OFFERING THAT~~  
33 ~~SERVICE AFTER NOTIFYING THE COMMISSION AT LEAST 12 MONTHS IN ADVANCE;~~  
34 ~~AND~~

35 ~~(II) IF THE COMMISSION FINDS THAT THE ELECTRICITY SUPPLY~~  
36 ~~MARKET IS NOT COMPETITIVE, THE COMMISSION MAY EXTEND THE OBLIGATION TO~~

1 ~~PROVIDE STANDARD OFFER SERVICE TO RESIDENTIAL AND SMALL COMMERCIAL~~  
2 ~~CUSTOMERS UNTIL JULY 1, 2004, AT THE LATEST, AT A RATE DETERMINED UNDER §~~  
3 ~~7-505(C) OF THIS SUBTITLE.~~

4 ~~(3) (I) THE OBLIGATION OF AN ELECTRIC COMPANY TO PROVIDE~~  
5 ~~STANDARD OFFER SERVICE SHALL CONTINUE UNTIL JULY 1, 2003, OR A LATER DATE~~  
6 ~~WHEN THE COMMISSION DETERMINES THAT A COMPETITIVE MARKET EXISTS FOR~~  
7 ~~RESIDENTIAL AND SMALL COMMERCIAL CUSTOMERS.~~

8 ~~(II) IF THE COMMISSION DOES NOT FIND THAT THE ELECTRICITY~~  
9 ~~SUPPLY MARKET IS COMPETITIVE, OR FINDS THAT NO ACCEPTABLE COMPETITIVE~~  
10 ~~PROPOSALS HAVE BEEN RECEIVED, THE OBLIGATION TO PROVIDE STANDARD OFFER~~  
11 ~~SERVICE TO RESIDENTIAL AND SMALL COMMERCIAL CUSTOMERS SHALL BE~~  
12 ~~EXTENDED AT A PRICE THAT ALLOWS RECOVERY OF VERIFIABLE PRUDENTLY~~  
13 ~~INCURRED MARKET COSTS TO PROCURE OR PRODUCE THE ELECTRICITY PLUS A~~  
14 ~~REASONABLE RETURN. THE COMMISSION SHALL REEXAMINE THIS FINDING~~  
15 ~~ANNUALLY.~~

16 ~~(III) ELECTRIC COOPERATIVES AND MUNICIPAL UTILITIES MAY~~  
17 ~~CHOOSE TO CONTINUE PROVIDING STANDARD OFFER SERVICE IN THEIR~~  
18 ~~RESPECTIVE TERRITORIES, AND MAY CEASE OFFERING THAT SERVICE AFTER~~  
19 ~~NOTIFYING THE COMMISSION AT LEAST 12 MONTHS IN ADVANCE.~~

20 ~~(4) ON OR BEFORE JULY 1, 2001, THE COMMISSION SHALL ADOPT~~  
21 ~~REGULATIONS OR ISSUE ORDERS TO ESTABLISH PROCEDURES FOR THE~~  
22 ~~COMPETITIVE SELECTION OF ELECTRICITY SUPPLIERS, INCLUDING AN AFFILIATE~~  
23 ~~OF AN ELECTRIC COMPANY, TO PROVIDE STANDARD OFFER SERVICE TO CUSTOMERS~~  
24 ~~OF ELECTRIC COMPANIES, EXCEPT FOR CUSTOMERS OF ELECTRIC COOPERATIVES~~  
25 ~~AND MUNICIPAL UTILITIES. UNLESS DELAYED BY THE COMMISSION, THE~~  
26 ~~COMPETITIVE SELECTION SHALL TAKE EFFECT NO LATER THAN JULY 1, 2003.~~

27 ~~(5) AN ELECTRIC COMPANY MAY PROCURE THE ELECTRICITY NEEDED~~  
28 ~~TO MEET ITS STANDARD OFFER SERVICE ELECTRICITY SUPPLY OBLIGATION FROM~~  
29 ~~ANY ELECTRICITY SUPPLIER, INCLUDING AN AFFILIATE OF THE ELECTRIC COMPANY.~~

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

35 ~~(D) (1) EACH MUNICIPAL ELECTRIC UTILITY MAY FILE WITH THE~~  
36 ~~COMMISSION A SEPARATE PLAN AND SCHEDULE FOR PROVIDING CUSTOMER CHOICE~~  
37 ~~OF ELECTRICITY SUPPLY TO ITS CUSTOMERS. THE COMMISSION MAY APPROVE EACH~~  
38 ~~MUNICIPAL ELECTRIC UTILITY PLAN AND SCHEDULE AFTER CONSIDERING THE~~  
39 ~~FEATURES THAT DISTINGUISH THE MUNICIPAL ELECTRIC UTILITY FROM OTHER~~  
40 ~~ELECTRIC COMPANIES.~~

41 ~~(2) SUBJECT TO SUBSECTION (F) OF THIS SECTION, MUNICIPAL~~  
42 ~~ELECTRIC UTILITIES MAY ELECT TO INDEFINITELY CONTINUE TO PROVIDE~~

~~1 STANDARD OFFER SERVICE FOR ELECTRICITY SUPPLY ONLY IN THEIR RESPECTIVE  
2 DISTRIBUTION TERRITORIES, INSTEAD OF IMPLEMENTING CUSTOMER CHOICE.~~

~~3 (3) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO REQUIRE THE  
4 FUNCTIONAL, OPERATIONAL, STRUCTURAL, OR LEGAL SEPARATION OF A MUNICIPAL  
5 UTILITY'S REGULATED AND NONREGULATED OPERATIONS.~~

~~6 (D) (E) NOTWITHSTANDING THE DATES SET FORTH IN THIS SECTION OR  
7 ANY OTHER LAW, CUSTOMER CHOICE MAY NOT COMMENCE UNTIL LEGISLATION IS  
8 ENACTED TO RESTRUCTURE MARYLAND TAXES TO ADDRESS THE STATE AND LOCAL  
9 TAX IMPLICATIONS OF RESTRUCTURING THE ELECTRIC UTILITY INDUSTRY.~~

~~10 (E) (F) THE COMMISSION SHALL, BY REGULATION OR ORDER, ADOPT  
11 PROCEDURES TO IMPLEMENT THIS SECTION, INCLUDING THE ALLOCATION OF ANY  
12 UNUSED OPPORTUNITY FOR CUSTOMER CHOICE AMONG CUSTOMER CLASSES.~~

~~13 (G) IF A MUNICIPAL UTILITY SERVES CUSTOMERS OUTSIDE ITS DISTRIBUTION  
14 TERRITORY, ANY ELECTRICITY SUPPLIER LICENSED UNDER § 7-507 OF THIS  
15 SUBTITLE MAY SERVE THE CUSTOMERS WITHIN THE DISTRIBUTION TERRITORY OF  
16 THE MUNICIPAL UTILITY.~~

~~17 (G) (H) A COUNTY OR MUNICIPAL CORPORATION MAY NOT ACT AS AN  
18 AGGREGATOR UNLESS THE COMMISSION DETERMINES THERE IS NOT SUFFICIENT  
19 COMPETITION WITHIN THE BOUNDARIES OF THE COUNTY OR MUNICIPAL  
20 CORPORATION.~~

~~21 7-511.~~

~~22 (A) EXCEPT FOR ELECTRIC COOPERATIVES AND MUNICIPAL UTILITIES:~~

~~23 (1) COMPETITIVE BILLING SHALL BEGIN ON JULY 1, 2000;~~

~~24 (2) COMPETITIVE METERING FOR LARGE CUSTOMERS SHALL BEGIN ON  
25 JANUARY 1, 2002; AND~~

~~26 (3) COMPETITIVE METERING FOR ALL OTHER CUSTOMERS SHALL BEGIN  
27 ON APRIL 1, 2002, OR EARLIER IF REQUESTED BY THE ELECTRIC COMPANY.~~

~~28 (B) (1) AS A CONDITION OF LICENSING TO ACT AS A BILLING AGENT IN THE  
29 STATE, THE COMMISSION SHALL REQUIRE A LICENSEE TO:~~

~~30 (1) MAINTAIN ASSETS IN THE STATE SUFFICIENT TO COVER AT  
31 LEAST 3 MONTHS' BILLING REVENUES, INCLUDING ALL STATE AND LOCAL TAXES  
32 AND FEES, UNIVERSAL SERVICE CHARGES, COMPETITIVE TRANSITION CHARGES,  
33 AND OTHER CHARGES REQUIRED BY STATE OR LOCAL LAW OR REGULATION; OR~~

~~34 (2) POST A BOND WITH THE COMMISSION IN AN AMOUNT  
35 SUFFICIENT TO COVER AT LEAST 3 MONTHS' BILLING REVENUES, INCLUDING ALL  
36 STATE AND LOCAL TAXES AND FEES, UNIVERSAL SERVICE CHARGES, COMPETITIVE~~

1 ~~TRANSITION CHARGES, AND OTHER CHARGES REQUIRED BY STATE OR LOCAL LAW~~  
2 ~~OR REGULATION.~~

3 ~~(2) THE STATE, ON ITS OWN MOTION OR WITHIN 2 WEEKS AFTER A~~  
4 ~~REQUEST BY A LOCAL GOVERNMENT, MAY FORECLOSE ON THE BOND OR INITIATE~~  
5 ~~ATTACHMENT PROCEEDINGS AT ANY TIME THAT A LICENSEE FAILS TO MEET THE~~  
6 ~~DUE DATE FOR REMISSION OF TAXES OR OTHER STATE OR LOCAL GOVERNMENT~~  
7 ~~CHARGES UNDER THIS SUBSECTION.~~

8 ~~(3) IN ADDITION TO THE COMMISSION'S AUTHORITY TO SUSPEND OR~~  
9 ~~REVOKE A LICENSE UNDER THIS SUBTITLE, THE COMMISSION SHALL SUSPEND OR~~  
10 ~~REVOKE THE LICENSE OF A BILLING AGENT ON APPLICATION OF A LOCAL~~  
11 ~~GOVERNMENT FOR NONPAYMENT OF LOCAL TAXES OR FEES.~~

12 ~~(B) (C) THE COMMISSION SHALL ADOPT REGULATIONS OR ISSUE ORDERS~~  
13 ~~TO IMPLEMENT THIS SECTION.~~

14 ~~7-512.~~

15 ~~(A) THIS SECTION AND § 7-513 OF THIS SUBTITLE APPLY TO AN ENTITY THAT~~  
16 ~~WAS REGULATED AS AN ELECTRIC COMPANY ON JUNE 30, 1999, WHETHER OR NOT~~  
17 ~~THE ENTITY OR ANY OF ITS BUSINESSES, SERVICES, OR ASSETS CONTINUES TO BE~~  
18 ~~REGULATED UNDER THIS ARTICLE AFTER THAT DATE.~~

19 ~~(B) AN ELECTRIC COMPANY MAY RECOVER COSTS UNDER THIS SECTION TO~~  
20 ~~THE EXTENT THAT THE COMMISSION FINDS COSTS TO BE JUST AND REASONABLE.~~

21 ~~(C) (I) AN ELECTRIC COMPANY SHALL BE PROVIDED A FAIR OPPORTUNITY~~  
22 ~~TO RECOVER FULLY ALL COSTS OF THE FOLLOWING THAT HAVE BEEN OR WILL BE~~  
23 ~~INCURRED UNDER PROGRAMS OR OTHER PLANS ESTABLISHED BY LAW OR ORDERED~~  
24 ~~BY THE COMMISSION:~~

25 ~~(I) DEMAND-SIDE MANAGEMENT AND OTHER ENERGY~~  
26 ~~CONSERVATION PROGRAMS AND PLANS;~~

27 ~~(II) UNIVERSAL SERVICE PROGRAMS AND OTHER PUBLIC PURPOSE~~  
28 ~~PROGRAMS; AND~~

29 ~~(III) CONSUMER EDUCATION PROGRAMS UNDER § 7-505(B)(1) OF~~  
30 ~~THIS SUBTITLE.~~

31 ~~(2) THE COSTS SUBJECT TO THIS SUBSECTION SHALL BE FUNDED IN~~  
32 ~~THE ELECTRIC COMPANY'S DISTRIBUTION TERRITORY, EXCEPT THAT THE~~  
33 ~~UNIVERSAL SERVICE PROGRAM IN § 7-516 OF THIS SUBTITLE SHALL BE FUNDED ON A~~  
34 ~~STATEWIDE BASIS, BY A SURCHARGE OR OTHER COST RECOVERY MECHANISM THAT:~~

35 ~~(I) FULLY RECOVERS FROM CUSTOMERS IN THE TERRITORY THE~~  
36 ~~COSTS OF THE PLANS AND PROGRAMS IN THE TERRITORY OR STATE, AS~~  
37 ~~APPROPRIATE; AND~~

1                   ~~(H)    EXCEPT FOR PARAGRAPH (3) OF THIS SUBSECTION, WITH~~  
 2 ~~RESPECT TO ANY OF THESE COSTS NOT INCLUDED IN RATES ON JANUARY 1, 2000, IS~~  
 3 ~~NOT SUBJECT TO ANY OTHERWISE APPLICABLE RATE FREEZE OR CAP.~~

4                   ~~(3)    THE RECOVERY OF COSTS BY AN ELECTRIC COMPANY FOR THE~~  
 5 ~~UNIVERSAL SERVICE PROGRAM UNDER § 7-516 OF THIS SUBTITLE IS SUBJECT TO~~  
 6 ~~ANY APPLICABLE CAP REGARDLESS OF WHEN THE COSTS ARE INCLUDED IN RATES.~~

7 ~~7-513.~~

8           (A)    (1)    IN ACCORDANCE WITH THIS SUBSECTION, AN ELECTRIC COMPANY  
 9 SHALL BE PROVIDED A FAIR OPPORTUNITY TO RECOVER ALL OF ITS PRUDENTLY  
 10 INCURRED AND VERIFIABLE NET TRANSITION COSTS, SUBJECT TO FULL  
 11 MITIGATION, FOLLOWING THE COMMISSION'S DETERMINATION UNDER SUBSECTION  
 12 (B) OF THIS SECTION.

13                   ~~(2)    A COMPETITIVE TRANSITION CHARGE, OR OTHER APPROPRIATE~~  
 14 ~~MECHANISM THAT THE COMMISSION DETERMINES, MAY BE INCLUDED AS PART OF~~  
 15 ~~THE CHARGE PAID BY EACH CUSTOMER WHO ACCESSES THE TRANSMISSION OR~~  
 16 ~~DISTRIBUTION SYSTEM OF THE ELECTRIC COMPANY IN WHOSE DISTRIBUTION~~  
 17 ~~TERRITORY THE CUSTOMER IS LOCATED. THE COSTS AUTHORIZED BY THE~~  
 18 ~~COMMISSION TO BE RECOVERED SHALL BE ALLOCATED TO CUSTOMER CLASSES IN A~~  
 19 ~~MANNER THAT, AS NEARLY AS REASONABLY POSSIBLE, DOES NOT EXCEED THE COST~~  
 20 ~~OF PROVIDING THE SERVICE TO THOSE CLASSES OF CUSTOMERS, AVOIDING WHERE~~  
 21 ~~REASONABLY POSSIBLE ANY INTERCLASS OR INTRACLASS CROSS-SUBSIDY.~~

22                   ~~(3)    THE COMPETITIVE TRANSITION CHARGE MAY BE INCLUDED ON~~  
 23 ~~BILLS TO CUSTOMERS FOR A PERIOD DETERMINED BY THE COMMISSION. THE~~  
 24 ~~COMMISSION MAY ESTABLISH RECOVERY PERIODS OF DIFFERENT LENGTHS FOR~~  
 25 ~~EACH ELECTRIC COMPANY AND FOR DIFFERENT CATEGORIES OF TRANSITION~~  
 26 ~~COSTS.~~

27                   ~~(4)    (1)    A COMPETITIVE TRANSITION CHARGE, OR OTHER APPROPRIATE~~  
 28 ~~MECHANISM DETERMINED BY THE COMMISSION, MAY NOT BE PAID FOR ANY~~  
 29 ~~ON-SITE GENERATED ELECTRICITY TO THE EXTENT OF:~~

30                               1.    ~~(1)    THE EXISTING FACILITIES' INSTALLED GENERATING~~  
 31 ~~CAPACITY AS OF JANUARY 1, 1999; OR~~

32                               2.    ~~(H)    THE GENERATING CAPACITY OF AN EXISTING~~  
 33 ~~FACILITY TO BE INSTALLED UNDER A LEGALLY BINDING CONTRACT:~~

34                                   A.    ~~1.    EXECUTED ON OR BEFORE JANUARY 1, 1999; OR~~

35                                   B.    ~~2.    EXECUTED ON OR BEFORE SEPTEMBER 29, 1999, IF~~  
 36 ~~THE COMMISSION, ON A CASE-BY-CASE REVIEW OF THE EVIDENCE, DETERMINES~~  
 37 ~~THAT NEGOTIATIONS IN GOOD FAITH CONCERNING THE CONTRACT WERE ONGOING~~  
 38 ~~AS OF JANUARY 1, 1999. 1999; OR~~

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

4                   3:     (HII)    ~~THE FIRST 500 KILOWATT HOURS PER MONTH OF~~  
5 ~~ANY ON-SITE GENERATED ELECTRICITY FACILITY:~~

6                   A:     1:     ~~TO THE EXTENT OF THE FIRST 80 MEGAWATTS, ON A~~  
7 ~~STATEWIDE BASIS, OF THE AGGREGATE GENERATING CAPACITY OF ON-SITE~~  
8 ~~GENERATING FACILITIES; OR~~

9                   B:     2:     ~~INSTALLED AFTER JANUARY 1, 2000 FROM FUEL~~  
10 ~~CELLS, PHOTOVOLTAICS, WIND MACHINES, OR MICROTURBINES WHICH HAVE~~  
11 ~~ENERGY CONVERSION EFFICIENCIES GREATER THAN 50%.~~

12 (B)     THE COMMISSION SHALL DETERMINE THE TRANSITION COSTS AND THE  
13 AMOUNTS OF THE TRANSITION COSTS THAT AN ELECTRIC COMPANY SHALL BE  
14 PROVIDED AN OPPORTUNITY TO RECOVER UNDER ITS RESTRUCTURING PLAN  
15 THROUGH THE COMPETITIVE TRANSITION CHARGE OR OTHER APPROPRIATE  
16 MECHANISM.

17 (C)     (+)     AFTER JULY 1, 1999, AN ELECTRIC COMPANY MAY APPLY TO THE  
18 COMMISSION FOR A QUALIFIED RATE ORDER FOR SOME OR ALL OF ITS TRANSITION  
19 COSTS.

20                   (2)     IF THE COMMISSION ISSUES A QUALIFIED RATE ORDER AND THE  
21 TRANSITION BONDS APPROVED BY THAT ORDER ARE SUCCESSFULLY ISSUED:

22                   (I)     THE ELECTRIC COMPANY SHALL IMPOSE AND COLLECT,  
23 THROUGH ITS CUSTOMER BILLS, THE INTANGIBLE TRANSITION CHARGES APPROVED  
24 BY THE QUALIFIED RATE ORDER; AND

25                   (HI)    AT THE SAME TIME, THE ELECTRIC COMPANY'S COMPETITIVE  
26 TRANSITION CHARGE SHALL BE REDUCED BY AN AMOUNT EQUAL TO THAT PORTION  
27 OF THE COMPETITIVE TRANSITION CHARGE RELATED TO THE TRANSITION COSTS  
28 FOR WHICH TRANSITION BONDS HAVE BEEN SUCCESSFULLY ISSUED, TOGETHER  
29 WITH ANY COSTS OF CAPITAL RELATED TO THE TRANSITION COSTS FOR WHICH  
30 RECOVERY WAS PROVIDED IN THE COMPETITIVE TRANSITION CHARGE, AS  
31 PROVIDED IN THE QUALIFIED RATE ORDER.

32 (D)     (+)     THE COMMISSION SHALL ESTABLISH PROCEDURES FOR THE  
33 ANNUAL REVIEW OF THE COMPETITIVE TRANSITION CHARGE FOR EACH ELECTRIC  
34 COMPANY TO RECONCILE THE ANNUAL REVENUES RECEIVED FROM THE CHARGE  
35 WITH THE ANNUAL AMORTIZATION OF TRANSITION COSTS APPROVED BY THE  
36 COMMISSION UNDER THIS SECTION TO TAKE ACCOUNT OF ACTUAL KILOWATT HOUR  
37 SALES IN THE PRIOR YEAR COMPARED WITH PREVIOUSLY ESTIMATED  
38 KILOWATT-HOUR SALES. THE COMMISSION SHALL ADJUST THE COMPETITIVE  
39 TRANSITION CHARGE BASED ON ANY UNDER RECOVERY OR OVER RECOVERY WITH  
40 RESPECT TO THE AUTHORIZED AMORTIZATION AMOUNT.

1           (2)     NOTHING IN THIS SUBTITLE SHALL BE CONSTRUED AS PREVENTING  
2 THE COMMISSION FROM APPROVING FOR AN INVESTOR OWNED ELECTRIC  
3 COMPANY;

4           (I)     AN ADJUSTMENT MECHANISM PROPOSED BY SUCH INVESTOR  
5 OWNED ELECTRIC COMPANY IN ITS INITIAL RESTRUCTURING PROPOSAL FILED  
6 PRIOR TO JANUARY 1, 1999 THAT TAKES INTO ACCOUNT DIFFERENCES OTHER THAN  
7 DIFFERENCES IN KILOWATT HOUR SALES, TAKING INTO CONSIDERATION ANY  
8 REQUIREMENTS RELATED TO ANY TRANSITION BONDS;

9           (II)    AN ADJUSTMENT THAT TAKES INTO ACCOUNT GENERATION  
10 ASSET SALES BY AN ELECTRIC COMPANY OR AN AFFILIATE TO A NONAFFILIATE  
11 THAT ARE CONSUMMATED ON OR BEFORE JUNE 30, 2005; OR

12           (III)   ANY OTHER MECHANISM AS PART OF A SETTLEMENT.

13     ~~(E)     (1)     IN DETERMINING THE APPROPRIATE TRANSITION COSTS OR  
14 BENEFITS FOR EACH ELECTRIC COMPANY'S GENERATION RELATED ASSETS, THE  
15 COMMISSION SHALL CONDUCT AN EVIDENTIARY HEARING TO ESTABLISH THE  
16 VALUE OF THOSE GENERATION ASSETS.~~

17           ~~(2)     THE COMMISSION MAY CONSIDER IN THE DETERMINATION OF THE  
18 VALUATION OF EACH ASSET EVIDENCE OF BOOK VALUE, FAIR MARKET VALUE,  
19 SALES OF COMPARABLE ASSETS, APPRAISALS, THE REVENUE THE COMPANY WOULD  
20 RECEIVE UNDER RATE OF RETURN REGULATION, THE REVENUE THE COMPANY  
21 WOULD RECEIVE IN A RESTRUCTURED ELECTRICITY SUPPLY MARKET, OTHER  
22 APPROPRIATE EVIDENCE OF VALUE, AND OTHER ISSUES CONSIDERED BY THE  
23 COMMISSION.~~

24           ~~(3)     THE COMMISSION SHALL DETERMINE AN EQUITABLE ALLOCATION  
25 OF COSTS OR BENEFITS BETWEEN SHAREHOLDERS AND RATEPAYERS. IN  
26 DETERMINING THE ALLOCATION OF TRANSITION COSTS OR BENEFITS, THE  
27 COMMISSION SHALL CONSIDER THE FOLLOWING FACTORS:~~

28           ~~(I)     THE PRUDENCE AND VERIFIABILITY OF THE ORIGINAL  
29 INVESTMENT;~~

30           ~~(II)    WHETHER THE INVESTMENT CONTINUES TO BE USED AND  
31 USEFUL;~~

32           ~~(III)   WHETHER THE LOSS IS ONE OF WHICH INVESTORS CAN BE  
33 SAID TO HAVE REASONABLY BORNE THE RISK; AND~~

34           ~~(IV)    WHETHER INVESTORS HAVE ALREADY BEEN COMPENSATED  
35 FOR THE RISK.~~

36 7-514.

37     (A)     ON COMPLAINT OR ON ITS OWN MOTION, FOR GOOD CAUSE SHOWN, THE  
38 COMMISSION MAY CONDUCT AN INVESTIGATION OF THE RETAIL ELECTRICITY

~~1 SUPPLY AND ELECTRICITY SUPPLY SERVICES MARKETS AND DETERMINE WHETHER  
2 THE FUNCTION OF ONE OF THESE MARKETS IS BEING ADVERSELY AFFECTED BY  
3 MARKET POWER. THE COMMISSION SHALL MONITOR THE RETAIL ELECTRICITY  
4 SUPPLY AND ELECTRICITY SUPPLY SERVICES MARKETS TO ENSURE THAT THE  
5 MARKETS ARE NOT BEING ADVERSELY AFFECTED BY MARKET POWER.~~

~~6 (B) IF, AS A RESULT OF AN INVESTIGATION CONDUCTED UNDER THIS  
7 SECTION, THE COMMISSION DETERMINES THAT MARKET POWER IN THE RELEVANT  
8 MARKET UNDER THE COMMISSION'S JURISDICTION IS PREVENTING THE ELECTRIC  
9 CUSTOMERS IN THE STATE FROM OBTAINING THE BENEFITS OF PROPERLY  
10 FUNCTIONING RETAIL ELECTRICITY SUPPLY AND ELECTRICITY SUPPLY SERVICES  
11 MARKETS, THE COMMISSION MAY TAKE REMEDIAL ACTIONS WITHIN ITS AUTHORITY  
12 TO ADDRESS THE IMPACT OF THE MARKET POWER ACTIVITIES.~~

~~13 7-515.~~

~~14 AN ELECTRICITY SUPPLIER THAT ALSO PROVIDES DISTRIBUTION SERVICE, OR  
15 THAT HAS AN AFFILIATE THAT PROVIDES DISTRIBUTION SERVICE, IN  
16 PENNSYLVANIA, DELAWARE, WEST VIRGINIA, AND VIRGINIA OR IN THE DISTRICT OF  
17 COLUMBIA MAY NOT PROVIDE RETAIL ELECTRICITY SUPPLY SERVICE, DIRECTLY,  
18 INDIRECTLY, OR THROUGH AN AGGREGATOR, MARKETER, OR BROKER, IN THE  
19 DISTRIBUTION TERRITORY OF AN UNAFFILIATED ELECTRIC COMPANY UNLESS  
20 THERE IS ELECTRICITY SUPPLY COMPETITION IN AT LEAST A PORTION OF THE  
21 DISTRIBUTION SERVICE AREA OF THE ELECTRICITY SUPPLIER OR AFFILIATE.~~

~~22 7-516.~~

~~23 (A) THE COMMISSION SHALL ESTABLISH A UNIVERSAL SERVICE PROGRAM TO  
24 ASSIST ELECTRIC CUSTOMERS WITH AN ANNUAL INCOME LEVEL AT OR BELOW 150%  
25 OF THE FEDERAL POVERTY LEVEL, WITH INPUT FROM A PANEL OR ROUNDTABLE OF  
26 INTERESTED PARTIES. THE DEPARTMENT OF HUMAN RESOURCES SHALL BE  
27 RESPONSIBLE FOR ADMINISTERING THE UNIVERSAL SERVICE PROGRAM THROUGH  
28 THE MARYLAND ENERGY ASSISTANCE PROGRAM. THE COMMISSION SHALL HAVE  
29 OVERSIGHT RESPONSIBILITY FOR THE UNIVERSAL SERVICE PROGRAM.~~

~~30 (B) ALL CUSTOMERS WILL CONTRIBUTE TO THE FUNDING OF THIS PROGRAM  
31 THROUGH A SYSTEMS BENEFIT SURCHARGE COLLECTED BY EACH ELECTRIC  
32 COMPANY FROM WITHIN ITS DISTRIBUTION TERRITORY. ON A STATEWIDE BASIS, THE  
33 SURCHARGE MAY NOT EXCEED \$24 MILLION IN ANY YEAR. THE COMMISSION SHALL  
34 ALLOCATE FUNDING FOR THIS PROGRAM IN THE FOLLOWING MANNER:~~

~~35 (1) 80% OF THE FUNDING SHALL BE PAID BY THE INDUSTRIAL AND  
36 COMMERCIAL CLASSES; AND~~

~~37 (2) 20% OF THE FUNDING SHALL BE PAID BY THE RESIDENTIAL CLASS.~~

~~38 (C) THE UNIVERSAL SERVICE PROGRAM SHALL PROVIDE FINANCIAL SUPPORT  
39 TO ELIGIBLE CUSTOMERS FOR:~~

~~40 (1) BILL PAYMENT; AND~~



1 ~~(2) LOW INCOME WEATHERIZATION AND LOW INCOME ENERGY~~  
 2 ~~EFFICIENCY PROGRAMS; AND~~

3 ~~(3) ARREARAGES IN EXISTENCE ON JULY 1, 1999.~~

4 ~~(D) ON JANUARY 1, 2000, THE COMMISSION SHALL ISSUE A~~  
 5 ~~RECOMMENDATION TO THE GENERAL ASSEMBLY ON THE UNIVERSAL SERVICE~~  
 6 ~~PROGRAM INCLUDING THE APPROPRIATE AMOUNT TO BE COLLECTED FROM~~  
 7 ~~CUSTOMERS.~~

8 ~~(E) THE ELECTRIC COMPANY SHALL RECOVER UNIVERSAL SERVICE~~  
 9 ~~PROGRAM COSTS IN ACCORDANCE WITH § 7-512 OF THIS SUBTITLE.~~

10 ~~7-517.~~

11 ~~(A) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO AFFECT THE~~  
 12 ~~AUTHORITY OF THE DIVISION OF CONSUMER PROTECTION IN THE OFFICE OF THE~~  
 13 ~~ATTORNEY GENERAL TO ENFORCE CIVIL AND CRIMINAL VIOLATIONS OF TITLES 13~~  
 14 ~~AND 14 OF THE COMMERCIAL LAW ARTICLE OR ANY OTHER APPLICABLE STATE LAW~~  
 15 ~~OR REGULATION IN CONNECTION WITH THE ACTIVITIES OF ELECTRICITY~~  
 16 ~~SUPPLIERS.~~

17 ~~(B) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO AFFECT THE~~  
 18 ~~OBLIGATIONS OF AN ELECTRIC COMPANY OR AN ELECTRICITY SUPPLIER TO COMPLY~~  
 19 ~~WITH ADMINISTRATIVE RULES AND REGULATIONS REGARDING ANY GRANTS,~~  
 20 ~~PAYMENTS OR CREDITS FOR ELIGIBLE CUSTOMERS, AND OTHER ADMINISTRATIVE~~  
 21 ~~AND REPORTING DETAILS REQUIRED TO IMPLEMENT THE UNIVERSAL SERVICE~~  
 22 ~~PROGRAMS UNDER § 7-517 OF THIS SUBTITLE.~~

23 ~~7-516. 7-518.~~

24 ~~THIS SUBTITLE MAY BE REFERRED TO AS "THE ELECTRIC CUSTOMER CHOICE~~  
 25 ~~AND COMPETITION ACT OF 1999".~~

26 ~~7-517. 7-519. RESERVED.~~

27 ~~7-518. 7-520. RESERVED.~~

28 **Article – Natural Resources**

29 ~~3-308.~~

30 ~~THE SECRETARY SHALL MAY USE THE ENVIRONMENTAL TRUST FUND,~~  
 31 ~~INCLUDING ANY ADDITIONAL AMOUNTS APPROPRIATED BY THE GENERAL~~  
 32 ~~ASSEMBLY, TO THE MAXIMUM EXTENT POSSIBLE TO FUND COST EFFECTIVE~~  
 33 ~~ENERGY EFFICIENCY AND CONSERVATION ACTIVITIES AND THE IN-STATE~~  
 34 ~~OPERATION AND DEVELOPMENT OF RENEWABLE ENERGY RESOURCES, AS DEFINED~~  
 35 ~~IN § 1-101 OF THE PUBLIC UTILITY COMPANIES ARTICLE.~~

**Article—Commercial Law**

1  
2 ~~9-104.~~

3 This title does not apply

4 (m) To a transfer of an interest in a letter of credit other than the rights  
5 to proceeds of a written letter of credit; OR

6 (N) TO INTANGIBLE TRANSITION PROPERTY AS DEFINED IN § 7-501 OF  
7 THE PUBLIC UTILITY COMPANIES ARTICLE.

8 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
9 read as follows:

**Article—Public Utility Companies**

10  
11 ~~7-203.~~

12 (a) (1) The Commission shall:

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

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

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

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

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

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

30 (2) Each fiscal year, on approval of the annual budget by the General  
31 Assembly for the Power Plant Research Program, the Commission shall establish the  
32 amount of the environmental surcharge per kilowatt hour of electric energy  
33 [generated] DISTRIBUTED in the State that is to be imposed on each electric company  
34 in accordance with subsection (a) of this section.

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

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

9 ~~(e) The surcharge imposed under this subtitle shall terminate on June 30,~~  
 10 ~~[2000] 2005.~~

11 ~~**Article - Natural Resources**~~

12 ~~3-302.~~

13 ~~(a) There is an Environmental Trust Fund. For the purpose of this subtitle,~~  
 14 ~~there is established as an added cost of [generation] ELECTRICITY DISTRIBUTED TO~~  
 15 ~~RETAIL ELECTRIC CUSTOMERS WITHIN THE STATE, an environmental surcharge per~~  
 16 ~~kilowatt hour of electric energy [generated] DISTRIBUTED in the State to be paid by~~  
 17 ~~any electric company as defined in § 1-101 of the Public Utility Companies Article.~~  
 18 ~~[This surcharge initially shall be assessed at 0.1 mill per kilowatt hour as of January~~  
 19 ~~1, 1972.] The Public Service Commission shall impose the surcharge per kilowatt~~  
 20 ~~hour of electric energy [generated] DISTRIBUTED TO RETAIL ELECTRIC CUSTOMERS~~  
 21 ~~within the State and shall authorize the electric companies to add the full amount of~~  
 22 ~~the surcharge to RETAIL ELECTRIC customers' bills. To the extent that the surcharge~~  
 23 ~~is not collected from RETAIL ELECTRIC customers, the surcharge shall be deemed a~~  
 24 ~~cost of [generation] DISTRIBUTION and shall be allowed and computed as such,~~  
 25 ~~together with other allowable expenses, for rate making purposes. Revenues from~~  
 26 ~~the surcharge shall be collected by the Comptroller and placed in the Fund.~~

27 ~~(b) (1) The Secretary, in consultation with the Director of the Maryland~~  
 28 ~~Energy Administration, annually shall coordinate the preparation of a budget~~  
 29 ~~required to carry out the provisions of this subtitle. Upon approval of the budget by~~  
 30 ~~the General Assembly, the Public Service Commission shall establish the amount of~~  
 31 ~~the surcharge per kilowatt hour for the fiscal year beginning July 1, 1972, and for~~  
 32 ~~each subsequent fiscal year.~~

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

37 ~~(3) The Comptroller shall maintain the method of collection of the~~  
 38 ~~surcharge from the companies and the collections shall accrue to the Fund. The~~  
 39 ~~Department shall credit against the amount required to be paid into the~~  
 40 ~~Environmental Trust Fund by each electric company an amount equal to 1 1/2% of the~~

1 ~~total surcharge attributed to each company on the basis of the electricity [generated]~~  
 2 ~~DISTRIBUTED within Maryland.~~

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

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

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

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

30 ~~SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall~~  
 31 ~~take effect on July 1, 2000, provided that, if the Public Service Commission delays~~  
 32 ~~implementation of customer choice in accordance with the provisions of § 7-510(b) of~~  
 33 ~~the Public Utilities Article, as enacted by this Act, the surcharge funding the~~  
 34 ~~Environmental Trust Fund under § 7-203 of the Public Utility Companies Article~~  
 35 ~~shall continue to be collected as a per-kilowatt-hour surcharge on electricity~~  
 36 ~~generated within the State until customer choice is implemented.~~

37 ~~SECTION 2. 4. AND BE IT FURTHER ENACTED, That Section(s) 4-403 of the~~  
 38 ~~Public Utility Companies Article of the Annotated Code of Maryland be repealed. Any~~  
 39 ~~net accumulated over recovery or under recovery of actual fuel costs by each electric~~  
 40 ~~company as of the initial implementation date under Title 7, Subtitle 5 of the Public~~  
 41 ~~Utility Companies Article, as enacted by this Act, shall be credited or debited, as~~  
 42 ~~appropriate, to the electric company's rates and shall be refunded or collected, as~~  
 43 ~~appropriate, over a period not to exceed 12 months.~~

1     ~~SECTION 3. 5. AND BE IT FURTHER ENACTED, That if any provision of this~~  
2 ~~Act or the application thereof to any person or circumstance is held invalid for any~~  
3 ~~reason in a court of competent jurisdiction, the invalidity does not affect other~~  
4 ~~provisions or any other application of this Act which can be given effect without the~~  
5 ~~invalid provision or application, and for this purpose the provisions of this Act are~~  
6 ~~declared severable.~~

7     ~~SECTION 4. 6. AND BE IT FURTHER ENACTED, That Section 2 4 of this Act~~  
8 ~~shall take effect on the later of July 1, 2000, and the initial implementation date that~~  
9 ~~the Public Service Commission determines for investor-owned utilities under §~~  
10 ~~7-510(b)(1) of the Public Utility Companies Article, as enacted by this Act.~~

11     ~~SECTION 7. AND BE IT FURTHER ENACTED, That on or before February 1,~~  
12 ~~2000, the Commission, in consultation with the Maryland Energy Administration,~~  
13 ~~shall report to the Governor and, subject to § 2 1246 of the State Government Article,~~  
14 ~~to the General Assembly on the feasibility of requiring a renewables portfolio~~  
15 ~~standard and the estimated costs and benefits of establishing this requirement.~~

16     ~~SECTION 8. AND BE IT FURTHER ENACTED, That the Commission shall~~  
17 ~~report to the General Assembly by January 1, 2000, regarding: (1) the status of~~  
18 ~~implementation of the regulations or orders required under this Act; (2) the projected~~  
19 ~~population and needs served by the Universal Service Program under this Act; (3) the~~  
20 ~~final report of the Commission's roundtables; and (4) any recommendations as to~~  
21 ~~legislation which may be necessary to ensure a smooth transition for customers into a~~  
22 ~~competitive retail electricity market.~~

23     ~~SECTION 5. 9. AND BE IT FURTHER ENACTED, That Sections 1, 3, and 4 5,~~  
24 ~~and 6 of this Act shall take effect July 1, 1999.~~