

SENATE BILL 300

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1999 Regular Session
9r1907
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By: **Senators Miller and Bromwell**

Introduced and read first time: February 4, 1999

Assigned to: Finance

A BILL ENTITLED

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
5 Commission; stating the findings and declaration of intent of the General
6 Assembly; allowing the Commission to require certain consumer education
7 programs, universal programs, nondiscrimination policies, and operational
8 requirements; providing for the implementation of standard offer service in a
9 certain manner; prohibiting the Commission from requiring divestiture of
10 certain assets; requiring the Commission to ensure the creation of certain
11 competitive electricity services in a certain manner; allowing the Commission to
12 adopt alternative forms of regulation for certain regulated services; allowing the
13 Commission to limit certain rates for a certain period; requiring an electric
14 company to provide certain services in certain territory; requiring certain
15 persons to be licensed by the Commission before providing electricity supply
16 services in the State, subject to certain requirements and enforcement
17 mechanisms; allowing an electric company to transfer or sell certain generation
18 facilities or assets in a certain manner, subject to certain review by the
19 Commission for certain purposes; providing for the opportunity to recover
20 certain costs by certain means and secured or obtained in certain manners;
21 requiring the phased implementation of customer choice for electric customers
22 in the State in a certain manner by certain dates, subject to Commission
23 determination and certain contingencies; establishing the obligation of an
24 electric company to serve customers after a certain date; requiring the
25 implementation of competitive metering and billing on certain dates; providing
26 for investigation of market power in certain manners, subject to certain
27 remedial action by the Commission; providing for reciprocity of customer choice
28 with respect to certain other jurisdictions; providing for certain long-range
29 planning for certain regulated utility services only; requiring certain tariff and
30 rate filings for certain regulated utility services only; eliminating a certain
31 required plan on the State's generating needs; altering certain criteria for
32 obtaining a certificate of public convenience and necessity for a generating
33 station; requiring the Secretary of Natural Resources to use certain funds for
34 certain purposes; providing that certain provisions of the Uniform Commercial
35 Code do not apply to certain property; providing for the adoption of certain

1 regulations; defining certain terms; providing for the effective date of a portion
2 of this Act; and generally relating to restructuring of the electric utility industry.

3 BY repealing and reenacting, with amendments,
4 Article - Public Utility Companies
5 Section 1-101, 2-118, 4-201, 4-202, 7-201, and 7-207
6 Annotated Code of Maryland
7 (1998 Volume)

8 BY adding to
9 Article - Public Utility Companies
10 Section 7-501 through 7-518, inclusive, to be under the new subtitle "Subtitle 5.
11 Electric Industry Restructuring"
12 Annotated Code of Maryland
13 (1998 Volume)

14 BY adding to
15 Article - Natural Resources
16 Section 3-308
17 Annotated Code of Maryland
18 (1997 Replacement Volume and 1998 Supplement)

19 BY repealing and reenacting, with amendments,
20 Article - Commercial Law
21 Section 9-104(m)
22 Annotated Code of Maryland
23 (1997 Replacement Volume and 1998 Supplement)

24 BY adding to
25 Article - Commercial Law
26 Section 9-104(n)
27 Annotated Code of Maryland
28 (1997 Replacement Volume and 1998 Supplement)

29 BY repealing
30 Article - Public Utility Companies
31 Section 4-403
32 Annotated Code of Maryland
33 (1998 Volume)

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

Article - Public Utility Companies

1-101.

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

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

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

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

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

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

(2) "Common carrier" includes:

(i) an airline company;

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

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

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

(v) a taxicab company;

(vi) a toll bridge company; and

(vii) a transit company.

(3) "Common carrier" does not include:

(i) a county revenue authority;

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

(iii) a vanpool or launch service.

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

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

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

6 (i) owns an electric plant and transmits, sells, or distributes
7 electricity;

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

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

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

15 [(3)] (2) "Electric company" does not include [a company that generates
16 or transmits electricity exclusively for its own use]:

17 (I) THE FOLLOWING PERSONS WHO SUPPLY ELECTRICITY AND
18 ELECTRICITY SUPPLY SERVICES SOLELY TO OCCUPANTS OF A BUILDING FOR USE BY
19 THE OCCUPANTS:

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

22 2. A LESSEE/OPERATOR WHO HOLDS A LEASEHOLD
23 INTEREST IN AND MANAGES THE INTERNAL DISTRIBUTION SYSTEM SERVING THE
24 BUILDING;

25 (II) ANY PERSON WHO GENERATES ON-SITE GENERATED
26 ELECTRICITY; OR

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

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

33 (J) (1) "ELECTRICITY SUPPLIER" MEANS A PERSON WHO SELLS
34 ELECTRICITY OR ELECTRICITY SUPPLY SERVICES OR WHO PURCHASES, BROKERS,
35 ARRANGES, OR MARKETS ELECTRICITY OR ELECTRICITY SUPPLY SERVICES FOR SALE
36 TO A RETAIL ELECTRIC CUSTOMER.

1 (2) "ELECTRICITY SUPPLIER" INCLUDES AN ELECTRIC COMPANY,
2 AGGREGATOR, BROKER, AND MARKETER.

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

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

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

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

12 (II) A PERSON WHO GENERATES ON-SITE GENERATED
13 ELECTRICITY.

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

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

17 (ii) owns a gas plant and:

18 1. transmits, sells, supplies, or distributes artificial or
19 natural gas; or

20 2. manufactures gas for distribution or sale.

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

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

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

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

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

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

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

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

3 (P) "ON-SITE GENERATED ELECTRICITY" MEANS ELECTRICITY THAT:

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

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

10 [(l)] (Q) "Own" includes own, operate, lease to or from, manage, or control.

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

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

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

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

24 [(q)] (V) (1) "Railroad" means a common carrier by rail powered in any
25 manner.

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

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

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

32 (i) the amount of a charge; or

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

34 [(s)] (X) (1) "Record" means the original or a copy of any documentary
35 material.

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

3 (Y) "RENEWABLE ENERGY RESOURCE" MEANS ONE OR MORE OF THE
4 FOLLOWING SOURCES OF ENERGY, ENERGY TECHNOLOGY, OR RELATED CREDIT:

5 (1) SOLAR;

6 (2) WIND;

7 (3) TIDAL;

8 (4) GEOTHERMAL;

9 (5) BIOMASS, INCLUDING WASTE-TO-ENERGY AND LANDFILL GAS
10 RECOVERY;

11 (6) HYDROELECTRIC FACILITIES;

12 (7) DIGESTER GAS; AND

13 (8) A MANUFACTURING OR COMMERCIAL WASTE-TO-ENERGY SYSTEM
14 OR FACILITY.

15 (Z) (1) "RETAIL ELECTRIC CUSTOMER" MEANS A PURCHASER OF
16 ELECTRICITY FOR END USE IN THE STATE.

17 (2) "RETAIL ELECTRIC CUSTOMER" EXCLUDES:

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

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

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

28 [(u)] (BB) "Small rural electric cooperative" means an electric company that:

29 (1) serves only the consumers that exclusively own and control the
30 company;

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

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

1 [(v)] (CC) "State" means:

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

4 (2) the District of Columbia.

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

7 [(x)] (EE) "Street railroad" means a railroad:

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

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

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

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

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

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

19 [(z)] (GG) "Telegraph company" means a public service company that:

20 (1) owns telegraph lines to receive, transmit, or communicate telegraphic
21 communications; or

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

23 [(aa)] (HH) "Telegraph lines" means the material, equipment, and property
24 owned by a telegraph company and used or to be used for or in connection with
25 telegraph service.

26 [(bb)] (II) (1) "Telephone company" means a public service company that:

27 (i) owns telephone lines to receive, transmit, or communicate
28 telephone or teletype communications; or

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

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

1 [(cc)] (JJ) "Telephone lines" means the material, equipment, and property
2 owned by a telephone company and used or to be used for or in connection with
3 telephone service.

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

6 [(ee)] (LL) (1) "Transportation of persons for hire" means the transportation of
7 persons by:

8 (i) regularly scheduled operations;

9 (ii) charter or contract operations; or

10 (iii) tour or sightseeing operations.

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

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

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

19 2-118.

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

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

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

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

33 (2) As part of the review, and subject to any applicable Freedom of
34 Information Act, the Commission shall consult with other State units and provide an
35 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
7 renders.

8 4-202.

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

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
16 accessible 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
20 evaluate annually the long-range plans of the State's electric companies regarding
21 generating 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
33 moderate overall electrical generation demand and peak demand through the electric
34 companies' promotion of energy conservation by customers and through the electric
35 companies' use 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
8 renewable 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
19 geological data, including any boring that is necessary to ascertain foundation
20 conditions.

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

26 (1) A PERSON MAY NOT BEGIN CONSTRUCTION IN THE STATE OF A
27 GENERATING STATION OR EXERCISE A RIGHT OF CONDEMNATION IN CONNECTION
28 WITH THE CONSTRUCTION; 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)] economics;

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 (f) 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 SUBTITLE 5. ELECTRIC INDUSTRY RESTRUCTURING.

25 PART I. GENERAL PROVISIONS.

26 7-501.

27 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
28 INDICATED.

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

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

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

3 (D) "COMPETITIVE TRANSITION CHARGE" MEANS A RATE, CHARGE, CREDIT,
4 OR OTHER APPROPRIATE MECHANISM AUTHORIZED TO BE IMPOSED FOR THE
5 RECOVERY OF TRANSITION COSTS AS DETERMINED BY THE COMMISSION UNDER §
6 7-513 OF THIS SUBTITLE.

7 (E) "CONSUMER" AND "CUSTOMER" EACH MEANS A RETAIL ELECTRIC
8 CUSTOMER.

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

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

19 (H) "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 UTILITIES; OR

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

25 (I) "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 (J) "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 (K) "PUBLIC PURPOSE PROGRAM" MEANS:

6 (1) A UNIVERSAL SERVICE PROGRAM;

7 (2) A PROGRAM ENCOURAGING RENEWABLE ENERGY RESOURCES; OR

8 (3) ANOTHER PROGRAM IMPLEMENTED WITH THE INTENTION OF
9 FURTHERING A PUBLIC PURPOSE.

10 (L) "QUALIFIED RATE ORDER" MEANS AN ORDER OF THE COMMISSION
11 APPROVING ONE OR MORE INTANGIBLE TRANSITION CHARGES.

12 (M) "STANDARD OFFER SERVICE" MEANS ELECTRIC SERVICE THAT AN
13 ELECTRIC COMPANY MUST OFFER TO ITS CUSTOMERS UNDER § 7-510(C) OF THIS
14 SUBTITLE.

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

21 (O) "TRANSITION COSTS" MEANS A COST, LIABILITY, OR INVESTMENT THAT:

22 (1) TRADITIONALLY WOULD HAVE BEEN OR WOULD BE RECOVERABLE
23 UNDER RATE-OF-RETURN REGULATION, INCLUDING RETAIL RATES FOR THE
24 PROVISION OF ELECTRIC SERVICE, BUT WHICH MAY NOT BE RECOVERABLE IN A
25 RESTRUCTURED ELECTRICITY SUPPLY MARKET, OR WHICH ARISE AS A RESULT OF
26 ELECTRIC INDUSTRY RESTRUCTURING; AND

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

28 (P) (1) "UNIVERSAL SERVICE PROGRAM" MEANS A POLICY, PROTECTION, OR
29 SERVICE THAT HELPS LOW-INCOME CUSTOMERS MAINTAIN ELECTRIC SERVICE.

30 (2) "UNIVERSAL SERVICE PROGRAM" INCLUDES CUSTOMER ASSISTANCE
31 PROGRAMS, TERMINATION OF SERVICE PROTECTION, AND POLICIES AND SERVICES
32 THAT HELP LOW-INCOME CUSTOMERS TO REDUCE OR MANAGE ENERGY
33 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) MODIFY AND CLARIFY EXISTING LAW TO ESTABLISH CUSTOMER
8 CHOICE OF ELECTRICITY SUPPLY AND ELECTRICITY SUPPLY SERVICES;

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

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

13 7-505.

14 (A) IN ASSESSING AND APPROVING EACH ELECTRIC COMPANY'S
15 RESTRUCTURING PLAN, AND OVERSEEING THE TRANSITION PROCESS AND
16 REGULATION OF THE RESTRUCTURED ELECTRIC INDUSTRY, THE COMMISSION
17 SHALL PROVIDE THAT THE TRANSITION TO A COMPETITIVE ELECTRICITY SUPPLY
18 AND ELECTRICITY SUPPLY SERVICES MARKET SHALL BE ORDERLY, MAINTAIN
19 ELECTRIC SYSTEM RELIABILITY, AND BE FAIR TO CUSTOMERS, ELECTRIC COMPANY
20 INVESTORS, ELECTRIC COMPANIES, AND ELECTRICITY SUPPLIERS.

21 (B) (1) THE COMMISSION MAY ORDER EACH ELECTRIC COMPANY, IN
22 CONJUNCTION WITH THE COMMISSION, THE OFFICE OF PEOPLE'S COUNSEL, AND
23 OTHER PARTIES, TO IMPLEMENT A CONSUMER EDUCATION PROGRAM INFORMING
24 CUSTOMERS OF CHANGES IN THE ELECTRIC INDUSTRY.

25 (2) THE COMMISSION MAY ORDER UNIVERSAL SERVICE PROGRAMS TO
26 BE MADE AVAILABLE IN EACH ELECTRIC COMPANY'S DISTRIBUTION TERRITORY.

27 (3) THE COMMISSION MAY ORDER AN ELECTRIC COMPANY TO ADOPT
28 POLICIES AND PRACTICES REASONABLY DESIGNED TO:

29 (I) PREVENT UNDUE DISCRIMINATION IN FAVOR OF THE
30 ELECTRIC COMPANY'S OWN ELECTRICITY SUPPLY, OTHER SERVICES, DIVISIONS, OR
31 AFFILIATES, IF ANY; AND

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

34 (4) THE COMMISSION MAY, BY REGULATION OR ORDER, REQUIRE EACH
35 ELECTRIC COMPANY AND ELECTRICITY SUPPLIER TO PROVIDE ADEQUATE AND

1 ACCURATE CUSTOMER INFORMATION ON THE AVAILABLE ELECTRIC SERVICES OF
2 THE ELECTRIC COMPANY OR ELECTRICITY SUPPLIER.

3 (5) THE COMMISSION SHALL, BY REGULATION OR ORDER, REQUIRE THE
4 UNBUNDLING OF ELECTRIC COMPANY RATES, CHARGES, AND SERVICES INTO
5 CATEGORIES THAT THE COMMISSION DETERMINES. THE COMMISSION MAY
6 REBUNDLE RATES OR CHARGES FOR BILLING PURPOSES.

7 (6) THE COMMISSION SHALL DETERMINE THE TERMS, CONDITIONS,
8 AND RATES OF STANDARD OFFER SERVICE UNDER TITLE 4 OF THIS ARTICLE.

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

13 (8) 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, THE FOLLOWING SAFEGUARDS:

18 (I) AN APPROPRIATE CODE OF CONDUCT BETWEEN THE ELECTRIC
19 COMPANY AND ANY AFFILIATE PROVIDING ELECTRICITY SUPPLY AND ELECTRICITY
20 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) AN ELECTRIC COMPANY SHALL COMPLY WITH ALL REQUIREMENTS
29 OF THE COMMISSION IN CONDUCTING REGULATED OPERATIONS IN COMPLIANCE
30 WITH THIS ARTICLE. IN ADDITION, THE COMMISSION SHALL REQUIRE EACH
31 ELECTRIC COMPANY TO ADOPT A CODE OF CONDUCT TO PREVENT REGULATED
32 SERVICE CUSTOMERS FROM SUBSIDIZING THE SERVICES OF UNREGULATED
33 BUSINESSES OR AFFILIATES OF THE ELECTRIC COMPANY. HOWEVER, NOTHING IN
34 THIS SUBTITLE MAY BE CONSTRUED TO GIVE THE COMMISSION THE AUTHORITY TO
35 REGULATE AN AFFILIATE OF AN ELECTRIC COMPANY WITH RESPECT TO ANY
36 NONREGULATED BUSINESS OR ACTIVITIES OF THE AFFILIATE.

37 (C) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, INCLUDING
38 SUBSECTION (D) OF THIS SECTION, THE COMMISSION MAY REGULATE THE
39 REGULATED SERVICES OF AN ELECTRIC COMPANY THROUGH ALTERNATIVE FORMS
40 OF REGULATION.

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

4 (I) PROTECTS CONSUMERS;

5 (II) ENSURES THE QUALITY, AVAILABILITY, AND RELIABILITY OF
6 REGULATED ELECTRIC SERVICES; AND

7 (III) IS IN THE INTEREST OF THE PUBLIC, INCLUDING
8 SHAREHOLDERS OF THE ELECTRIC COMPANY.

9 (3) ALTERNATIVE FORMS OF REGULATION MAY INCLUDE:

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

11 (II) REVENUE REGULATION;

12 (III) RANGES OF AUTHORIZED RETURN;

13 (IV) RATE OF RETURN;

14 (V) CATEGORIES OF SERVICES; OR

15 (VI) PRICE-INDEXING.

16 (D) (1) THE COMMISSION SHALL FREEZE OR CAP, FOR 4 YEARS AFTER
17 INITIAL IMPLEMENTATION OF CUSTOMER CHOICE IN THE ELECTRIC COMPANY'S
18 DISTRIBUTION TERRITORY, THE TOTAL OF THE RATES OF AN ELECTRIC COMPANY
19 CHARGED TO A RETAIL ELECTRIC CUSTOMER AT THE ACTUAL LEVEL OF THE RATES
20 IN EFFECT OR AUTHORIZED BY THE COMMISSION ON THE DATE IMMEDIATELY
21 PRECEDING THE INITIAL IMPLEMENTATION OF CUSTOMER CHOICE IN THE
22 ELECTRIC COMPANY'S DISTRIBUTION TERRITORY.

23 (2) AS PART OF A SETTLEMENT, THE COMMISSION MAY APPROVE A
24 FREEZE OR CAP FOR A LONGER TIME PERIOD.

25 7-506.

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

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

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

1 (D) THE ELECTRIC COMPANY MUST CONNECT CUSTOMERS AND DELIVER
2 ELECTRICITY ON BEHALF OF ELECTRICITY SUPPLIERS CONSISTENT WITH THE
3 PROVISIONS OF THIS ARTICLE.

4 7-507.

5 (A) A PERSON, OTHER THAN AN ELECTRIC COMPANY PROVIDING STANDARD
6 OFFER SERVICE UNDER § 7-510(C) OF THIS SUBTITLE, MAY NOT ENGAGE IN THE
7 BUSINESS OF AN ELECTRICITY SUPPLIER IN THE STATE UNLESS THE PERSON HOLDS
8 A LICENSE ISSUED BY THE COMMISSION.

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

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

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

13 (3) CONTAIN INFORMATION THAT THE COMMISSION REQUIRES.

14 (C) THE COMMISSION MAY, BY REGULATION OR ORDER:

15 (1) REQUIRE PROOF OF FINANCIAL INTEGRITY;

16 (2) REQUIRE A LICENSEE TO POST A BOND OR OTHER SIMILAR
17 INSTRUMENT, IF, IN THE COMMISSION'S JUDGMENT, THE BOND OR SIMILAR
18 INSTRUMENT IS NECESSARY TO INSURE AN ELECTRICITY SUPPLIER'S FINANCIAL
19 INTEGRITY;

20 (3) REQUIRE A LICENSEE TO:

21 (I) PROVIDE PROOF THAT IT HAS REGISTERED TO DO BUSINESS IN
22 THE STATE WITH THE DEPARTMENT OF ASSESSMENTS AND TAXATION; AND

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

24 (4) ADOPT ANY OTHER REQUIREMENTS IT FINDS TO BE IN THE PUBLIC
25 INTEREST, WHICH MAY INCLUDE DIFFERENT REQUIREMENTS FOR ELECTRICITY
26 SUPPLIERS THAT SERVE ONLY LARGE CUSTOMERS.

27 (D) A LICENSE ISSUED UNDER THIS SECTION MAY NOT BE TRANSFERRED
28 WITHOUT PRIOR COMMISSION APPROVAL.

29 (E) THE COMMISSION MAY ADOPT REGULATIONS OR ISSUE ORDERS TO:

30 (1) PROTECT CONSUMERS, ELECTRIC COMPANIES, AND ELECTRICITY
31 SUPPLIERS FROM ANTICOMPETITIVE AND ABUSIVE PRACTICES; AND

32 (2) REQUIRE EACH ELECTRICITY SUPPLIER TO PROVIDE ADEQUATE AND
33 ACCURATE CUSTOMER INFORMATION TO ENABLE CUSTOMERS TO MAKE INFORMED

1 CHOICES REGARDING THE PURCHASE OF ANY ELECTRICITY SERVICES OFFERED BY
2 THE ELECTRICITY SUPPLIER.

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

5 (G) (1) AN ELECTRICITY SUPPLIER OR ANY PERSON OR GOVERNMENTAL
6 UNIT MAY NOT MAKE ANY CHANGE IN THE ELECTRICITY SUPPLIER FOR A CUSTOMER
7 WITHOUT FIRST OBTAINING THE CUSTOMER'S PERMISSION.

8 (2) THE COMMISSION SHALL ADOPT REGULATIONS OR ISSUE ORDERS
9 ESTABLISHING PROCEDURES TO PREVENT UNAUTHORIZED SWITCHING.

10 (H) (1) THE COMMISSION MAY REVOKE OR SUSPEND THE LICENSE OF AN
11 ELECTRICITY SUPPLIER, IMPOSE A CIVIL PENALTY, OR IMPOSE A MORATORIUM ON
12 ADDING OR SOLICITING ADDITIONAL CUSTOMERS BY THE ELECTRICITY SUPPLIER,
13 FOR JUST CAUSE ON THE COMMISSION'S OWN INVESTIGATION OR ON COMPLAINT OF
14 THE OFFICE OF PEOPLE'S COUNSEL, THE ATTORNEY GENERAL, OR AN AFFECTED
15 PARTY.

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

18 (3) JUST CAUSE INCLUDES:

19 (I) INTENTIONALLY PROVIDING FALSE INFORMATION TO THE
20 COMMISSION;

21 (II) SWITCHING, OR CAUSING TO BE SWITCHED, THE ELECTRICITY
22 SUPPLY FOR A CUSTOMER WITHOUT FIRST OBTAINING THE CUSTOMER'S
23 PERMISSION;

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

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

26 (V) FAILING TO MAINTAIN FINANCIAL INTEGRITY;

27 (VI) VIOLATING A COMMISSION REGULATION OR ORDER; AND

28 (VII) FAILING TO PAY APPLICABLE STATE OR LOCAL TAXES.

29 (I) (1) AN ELECTRICITY SUPPLIER OR PERSON SELLING OR OFFERING TO
30 SELL ELECTRICITY IN THE STATE IN VIOLATION OF THIS SECTION IS SUBJECT TO:

31 (I) A CIVIL PENALTY OF NOT MORE THAN \$2,500 FOR THE
32 VIOLATION; OR

33 (II) LICENSE REVOCATION OR SUSPENSION.

34 (2) EACH DAY A VIOLATION CONTINUES IS A SEPARATE VIOLATION.

1 (3) THE COMMISSION SHALL DETERMINE THE AMOUNT OF ANY CIVIL
2 PENALTY. IN MAKING THIS DETERMINATION, THE COMMISSION SHALL CONSIDER:

3 (I) THE NUMBER OF PREVIOUS VIOLATIONS OF ANY PROVISION OF
4 THIS ARTICLE;

5 (II) THE GRAVITY OF THE CURRENT VIOLATION; AND

6 (III) THE GOOD FAITH OF THE ELECTRICITY SUPPLIER OR PERSON
7 CHARGED IN ATTEMPTING TO ACHIEVE COMPLIANCE AFTER NOTIFICATION OF THE
8 VIOLATION.

9 (J) IN CONNECTION WITH A CONSUMER COMPLAINT OR COMMISSION
10 INVESTIGATION UNDER THIS SECTION, AN ELECTRICITY SUPPLIER SHALL PROVIDE
11 TO THE COMMISSION ACCESS TO ANY ACCOUNTS, BOOKS, PAPERS, AND DOCUMENTS
12 WHICH THE COMMISSION CONSIDERS NECESSARY TO RESOLVE THE MATTER AT
13 ISSUE.

14 (K) THE COMMISSION MAY ORDER THE ELECTRICITY SUPPLIER TO CEASE
15 ADDING OR SOLICITING ADDITIONAL CUSTOMERS OR TO CEASE SERVING
16 CUSTOMERS IN THE STATE.

17 7-508.

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

20 (B) THE TRANSFER OF A GENERATION FACILITY OR GENERATION ASSET MAY
21 NOT AFFECT OR RESTRICT THE COMMISSION'S DETERMINATION OF THE VALUE OF A
22 GENERATION ASSET FOR PURPOSES OF TRANSITION COSTS UNDER § 7-513(B) OF THIS
23 SUBTITLE.

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

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

28 (II) THE AMOUNT OF TRANSITION COSTS ARISING FROM THE
29 GENERATION TO BE TRANSFERRED HAS BEEN FINALLY DETERMINED BY THE
30 COMMISSION UNDER § 7-513(A) THROUGH (C) OF THIS SUBTITLE.

31 (2) THE COMMISSION MAY REVIEW AND APPROVE THE TRANSFER FOR
32 THE SOLE PURPOSE OF DETERMINING THAT:

33 (I) THE APPROPRIATE ACCOUNTING HAS BEEN FOLLOWED;

34 (II) THE TRANSFER DOES NOT OR WOULD NOT RESULT IN AN
35 UNDUE ADVERSE EFFECT ON THE PROPER FUNCTIONING OF A COMPETITIVE
36 ELECTRICITY SUPPLY MARKET; AND

1 (III) THE APPROPRIATE TRANSFER PRICE AND RATE MAKING
2 TREATMENT.

3 (D) THE COMMISSION SHALL ACT ON THE TRANSFER OF A GENERATION
4 FACILITY OR GENERATION ASSET UNDER THIS SECTION WITHIN 180 DAYS AFTER
5 THE ELECTRIC COMPANY FILES ITS PROPOSED TRANSFER APPLICATION AND ANY
6 REQUIRED SUPPORTING INFORMATION.

7 7-509.

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

12 (I) ESTABLISH THE PRICE FOR STANDARD OFFER SERVICE UNDER
13 § 7-510(C) OF THIS SUBTITLE; AND

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

16 (2) THIS SUBSECTION DOES NOT APPLY TO:

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

19 (II) THE COSTS OF NUCLEAR GENERATION FACILITIES OR
20 PURCHASED POWER CONTRACTS WHICH REMAIN REGULATED OR ARE RECOVERED
21 THROUGH THE DISTRIBUTION FUNCTION.

22 (B) EXCEPT FOR AN ELECTRIC COMPANY WHOSE RETAIL PEAK LOAD IN THE
23 STATE ON JANUARY 1, 1999, WAS LESS THAN 1,000 MEGAWATTS, THIS SECTION DOES
24 NOT APPLY TO AN ELECTRIC COMPANY UNTIL THE ELECTRIC COMPANY:

25 (1) TRANSFERS GENERATION FACILITIES AND GENERATION ASSETS TO
26 AN AFFILIATE OF THE ELECTRIC COMPANY, AND THE AFFILIATE OPERATES THE
27 FACILITIES AND ASSETS; OR

28 (2) SELLS THE GENERATION FACILITIES AND GENERATION ASSETS TO A
29 NONAFFILIATE.

30 (C) THE EXCEPTIONS IN SUBSECTION (A)(2) OF THIS SECTION AS TO ANY
31 ELECTRIC COMPANY SHALL REMAIN IN EFFECT UNTIL THE LATER OF THE DATE
32 WHEN:

33 (1) ALL CUSTOMERS OF THAT ELECTRIC COMPANY ARE ELIGIBLE FOR
34 CUSTOMER CHOICE UNDER § 7-510 OF THIS SUBTITLE; AND

1 (2) THE AMOUNT OF TRANSITION COSTS ARISING FROM THE
2 GENERATION THAT IS DEREGULATED HAS BEEN FINALLY DETERMINED BY THE
3 COMMISSION UNDER § 7-513(A) THROUGH (C) OF THIS SUBTITLE.

4 7-510.

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

7 (I) ON JULY 1, 2000, ONE-THIRD OF THE RETAIL PEAK LOAD OF
8 EACH CUSTOMER CLASS IN THE STATE OF EACH ELECTRIC COMPANY SHALL HAVE
9 THE OPPORTUNITY FOR CUSTOMER CHOICE;

10 (II) ON JULY 1, 2001, TWO-THIRDS OF THE RETAIL PEAK LOAD OF
11 EACH CUSTOMER CLASS IN THE STATE OF EACH ELECTRIC COMPANY SHALL HAVE
12 THE OPPORTUNITY FOR CUSTOMER CHOICE;

13 (III) ON JULY 1, 2002, ALL CUSTOMERS OF EACH ELECTRIC
14 COMPANY SHALL HAVE THE OPPORTUNITY FOR CUSTOMER CHOICE; AND

15 (IV) BY JULY 1, 2003, UNDER A SEPARATE SCHEDULE ADOPTED BY
16 THE COMMISSION, ALL CUSTOMERS OF EACH ELECTRIC COOPERATIVE SHALL HAVE
17 THE OPPORTUNITY FOR CUSTOMER CHOICE.

18 (2) THE COMMISSION MAY DEVELOP A SEPARATE SCHEDULE FOR
19 MUNICIPAL UTILITIES.

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

22 (1) ACCELERATE OR DELAY THE INITIAL IMPLEMENTATION DATE OF
23 JULY 1, 2000; OR

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

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

29 (2) ELECTRIC SUPPLY PURCHASED FROM A CUSTOMER'S ELECTRIC
30 COMPANY IS KNOWN AS STANDARD OFFER SERVICE. A CUSTOMER IS CONSIDERED TO
31 HAVE CHOSEN THE STANDARD OFFER SERVICE IF THE CUSTOMER:

32 (I) IS NOT ALLOWED TO CHOOSE AN ELECTRICITY SUPPLIER
33 UNDER THE PHASE IN OF CUSTOMER CHOICE IN § 7-510(A) OF THIS SUBTITLE;

34 (II) CONTRACTS FOR ELECTRICITY WITH AN ELECTRICITY
35 SUPPLIER AND IT IS NOT DELIVERED;

1 (III) CANNOT ARRANGE FOR ELECTRICITY FROM AN ELECTRICITY
2 SUPPLIER; OR

3 (IV) DOES NOT CHOOSE AN ELECTRICITY SUPPLIER.

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

6 (I) ELECTRIC COOPERATIVES AND MUNICIPAL UTILITIES MAY
7 CHOOSE TO CONTINUE PROVIDING STANDARD OFFER SERVICE IN THEIR
8 RESPECTIVE DISTRIBUTION TERRITORIES, AND MAY CEASE OFFERING THAT
9 SERVICE AFTER NOTIFYING THE COMMISSION AT LEAST 12 MONTHS IN ADVANCE;
10 AND

11 (II) IF THE COMMISSION FINDS THAT THE ELECTRICITY SUPPLY
12 MARKET IS NOT COMPETITIVE, THE COMMISSION MAY EXTEND THE OBLIGATION TO
13 PROVIDE STANDARD OFFER SERVICE TO RESIDENTIAL AND SMALL COMMERCIAL
14 CUSTOMERS UNTIL JULY 1, 2004, AT THE LATEST, AT A RATE DETERMINED UNDER §
15 7-505(C) OF THIS SUBTITLE.

16 (4) ON OR BEFORE JULY 1, 2001, THE COMMISSION SHALL ADOPT
17 REGULATIONS OR ISSUE ORDERS TO ESTABLISH PROCEDURES FOR THE
18 COMPETITIVE SELECTION OF ELECTRICITY SUPPLIERS, INCLUDING AN AFFILIATE
19 OF AN ELECTRIC COMPANY, TO PROVIDE STANDARD OFFER SERVICE TO CUSTOMERS
20 OF ELECTRIC COMPANIES, EXCEPT FOR CUSTOMERS OF ELECTRIC COOPERATIVES
21 AND MUNICIPAL UTILITIES. UNLESS DELAYED BY THE COMMISSION, THE
22 COMPETITIVE SELECTION SHALL TAKE EFFECT NO LATER THAN JULY 1, 2003.

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

26 (D) NOTWITHSTANDING THE DATES SET FORTH IN THIS SECTION OR ANY
27 OTHER LAW, CUSTOMER CHOICE MAY NOT COMMENCE UNTIL LEGISLATION IS
28 ENACTED TO RESTRUCTURE MARYLAND TAXES TO ADDRESS THE STATE AND LOCAL
29 TAX IMPLICATIONS OF RESTRUCTURING THE ELECTRIC UTILITY INDUSTRY.

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

33 7-511.

34 (A) EXCEPT FOR ELECTRIC COOPERATIVES AND MUNICIPAL UTILITIES:

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

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

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

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

5 7-512.

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

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

12 (C) (1) AN ELECTRIC COMPANY SHALL BE PROVIDED A FAIR OPPORTUNITY
13 TO RECOVER FULLY ALL COSTS OF THE FOLLOWING THAT HAVE BEEN OR WILL BE
14 INCURRED UNDER PROGRAMS OR OTHER PLANS ESTABLISHED BY LAW OR ORDERED
15 BY THE COMMISSION:

16 (I) DEMAND SIDE MANAGEMENT AND OTHER ENERGY
17 CONSERVATION PROGRAMS AND PLANS;

18 (II) UNIVERSAL SERVICE PROGRAMS AND OTHER PUBLIC PURPOSE
19 PROGRAMS; AND

20 (III) CONSUMER EDUCATION PROGRAMS UNDER § 7-505(B)(1) OF
21 THIS SUBTITLE.

22 (2) THE COSTS SUBJECT TO THIS SUBSECTION SHALL BE FUNDED IN
23 THE ELECTRIC COMPANY'S DISTRIBUTION TERRITORY BY A SURCHARGE OR OTHER
24 COST RECOVERY MECHANISM THAT:

25 (I) FULLY RECOVERS FROM CUSTOMERS IN THE TERRITORY THE
26 COSTS OF THE PLANS AND PROGRAMS IN THE TERRITORY; AND

27 (II) WITH RESPECT TO ANY OF THESE COSTS NOT INCLUDED IN
28 RATES ON JANUARY 1, 2000, IS NOT SUBJECT TO ANY OTHERWISE APPLICABLE RATE
29 FREEZE OR CAP.

30 7-513.

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

1 (2) A COMPETITIVE TRANSITION CHARGE, OR OTHER APPROPRIATE
2 MECHANISM THAT THE COMMISSION DETERMINES, MAY BE INCLUDED AS PART OF
3 THE CHARGE PAID BY EACH CUSTOMER WHO ACCESSES THE TRANSMISSION OR
4 DISTRIBUTION SYSTEM OF THE ELECTRIC COMPANY IN WHOSE DISTRIBUTION
5 TERRITORY THE CUSTOMER IS LOCATED. THE COSTS AUTHORIZED BY THE
6 COMMISSION TO BE RECOVERED SHALL BE ALLOCATED TO CUSTOMER CLASSES IN A
7 MANNER THAT, AS NEARLY AS REASONABLY POSSIBLE, DOES NOT EXCEED THE COST
8 OF PROVIDING THE SERVICE TO THOSE CLASSES OF CUSTOMERS, AVOIDING WHERE
9 REASONABLY POSSIBLE ANY INTERCLASS OR INTRAClass CROSS SUBSIDY.

10 (3) THE COMPETITIVE TRANSITION CHARGE MAY BE INCLUDED ON
11 BILLS TO CUSTOMERS FOR A PERIOD DETERMINED BY THE COMMISSION. THE
12 COMMISSION MAY ESTABLISH RECOVERY PERIODS OF DIFFERENT LENGTHS FOR
13 EACH ELECTRIC COMPANY AND FOR DIFFERENT CATEGORIES OF TRANSITION
14 COSTS.

15 (4) (I) A COMPETITIVE TRANSITION CHARGE, OR OTHER APPROPRIATE
16 MECHANISM DETERMINED BY THE COMMISSION, MAY NOT BE PAID FOR ANY
17 ON-SITE GENERATED ELECTRICITY TO THE EXTENT OF:

18 1. THE EXISTING FACILITIES' INSTALLED GENERATING
19 CAPACITY AS OF JANUARY 1, 1999; OR

20 2. THE GENERATING CAPACITY OF AN EXISTING FACILITY
21 TO BE INSTALLED UNDER A LEGALLY BINDING CONTRACT:

22 A. EXECUTED ON OR BEFORE JANUARY 1, 1999; OR

23 B. EXECUTED ON OR BEFORE SEPTEMBER 29, 1999, IF THE
24 COMMISSION, ON A CASE BY CASE REVIEW OF THE EVIDENCE, DETERMINES THAT
25 NEGOTIATIONS IN GOOD FAITH CONCERNING THE CONTRACT WERE ONGOING AS OF
26 JANUARY 1, 1999.

27 (II) ONLY THE FIRST 40 MEGAWATTS, ON A STATEWIDE BASIS, OF
28 THE AGGREGATE GENERATING CAPACITY OF ON-SITE GENERATING FACILITIES MAY
29 QUALIFY UNDER SUBPARAGRAPH (I)2 B OF THIS PARAGRAPH.

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

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

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

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

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

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

20 (2) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO PREVENT THE
21 COMMISSION FROM APPROVING FOR AN INVESTOR-OWNED ELECTRIC COMPANY:

22 (I) AN ADJUSTMENT MECHANISM PROPOSED BY THE
23 INVESTOR-OWNED ELECTRIC COMPANY IN ITS INITIAL RESTRUCTURING PROPOSAL
24 FILED PRIOR TO JANUARY 1, 1999, THAT INCLUDES DIFFERENCES OTHER THAN
25 DIFFERENCES IN KILOWATT-HOUR SALES, TAKING INTO CONSIDERATION ANY
26 REQUIREMENTS RELATED TO ANY TRANSITION BONDS; OR

27 (II) ANY OTHER MECHANISM AS PART OF A SETTLEMENT.

28 7-514.

29 (A) ON COMPLAINT OR ON ITS OWN MOTION, FOR GOOD CAUSE SHOWN, THE
30 COMMISSION MAY CONDUCT AN INVESTIGATION OF THE RETAIL ELECTRICITY
31 SUPPLY AND ELECTRICITY SUPPLY SERVICES MARKETS AND DETERMINE WHETHER
32 THE FUNCTION OF ONE OF THESE MARKETS IS BEING ADVERSELY AFFECTED BY
33 MARKET POWER. THE COMMISSION SHALL MONITOR THE RETAIL ELECTRICITY
34 SUPPLY AND ELECTRICITY SUPPLY SERVICES MARKETS TO ENSURE THAT THE
35 MARKETS ARE NOT BEING ADVERSELY AFFECTED BY MARKET POWER.

36 (B) IF, AS A RESULT OF AN INVESTIGATION CONDUCTED UNDER THIS
37 SECTION, THE COMMISSION DETERMINES THAT MARKET POWER IN THE RELEVANT
38 MARKET UNDER THE COMMISSION'S JURISDICTION IS PREVENTING THE ELECTRIC
39 CUSTOMERS IN THE STATE FROM OBTAINING THE BENEFITS OF PROPERLY
40 FUNCTIONING RETAIL ELECTRICITY SUPPLY AND ELECTRICITY SUPPLY SERVICES
41 MARKETS, THE COMMISSION MAY TAKE REMEDIAL ACTIONS WITHIN ITS AUTHORITY
42 TO ADDRESS THE IMPACT OF THE MARKET POWER ACTIVITIES.

1 7-515.

2 AN ELECTRICITY SUPPLIER THAT ALSO PROVIDES DISTRIBUTION SERVICE, OR
3 THAT HAS AN AFFILIATE THAT PROVIDES DISTRIBUTION SERVICE, IN
4 PENNSYLVANIA, DELAWARE, WEST VIRGINIA, AND VIRGINIA OR IN THE DISTRICT OF
5 COLUMBIA MAY NOT PROVIDE RETAIL ELECTRICITY SUPPLY SERVICE, DIRECTLY,
6 INDIRECTLY, OR THROUGH AN AGGREGATOR, MARKETER, OR BROKER, IN THE
7 DISTRIBUTION TERRITORY OF AN UNAFFILIATED ELECTRIC COMPANY UNLESS
8 THERE IS ELECTRICITY SUPPLY COMPETITION IN AT LEAST A PORTION OF THE
9 DISTRIBUTION SERVICE AREA OF THE ELECTRICITY SUPPLIER OR AFFILIATE.

10 7-516.

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

13 7-517. RESERVED.

14 7-518. RESERVED.

15 **Article - Natural Resources**

16 3-308.

17 THE SECRETARY SHALL USE THE ENVIRONMENTAL TRUST FUND, INCLUDING
18 ANY ADDITIONAL AMOUNTS APPROPRIATED BY THE GENERAL ASSEMBLY, TO THE
19 MAXIMUM EXTENT POSSIBLE TO FUND COST-EFFECTIVE ENERGY EFFICIENCY AND
20 CONSERVATION ACTIVITIES AND THE IN-STATE OPERATION AND DEVELOPMENT OF
21 RENEWABLE ENERGY RESOURCES, AS DEFINED IN § 1-101 OF THE PUBLIC UTILITY
22 COMPANIES ARTICLE.

23 **Article - Commercial Law**

24 9-104.

25 This title does not apply

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

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

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

1 SECTION 3. 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. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
8 take effect on the later of July 1, 2000, and the initial implementation date that the
9 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 5. AND BE IT FURTHER ENACTED, That Sections 1, 3, and 4 of
12 this Act shall take effect July 1, 1999.