

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

Committee Report: Favorable with amendments
Senate action: Adopted with floor amendments
Read second time: March 25, 1999

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
5 Commission; stating the findings and declaration of intent of the General
6 Assembly; ~~allowing~~ requiring the Commission to require certain consumer
7 education programs, ~~universal programs~~ customer information,
8 nondiscrimination policies, and operational requirements; requiring the
9 Commission, in consultation with the Maryland Energy Administration to
10 report by a certain date on certain programs; requiring the Commission to issue
11 certain orders or adopt certain regulations before the implementation of
12 customer choice; prohibiting the disclosure of certain information; prohibiting
13 certain actions by electricity suppliers; providing that this Act may not be
14 construed as preventing the application of certain protections and laws;
15 requiring the Commission, in consultation with the Department of
16 Environment, to adopt certain measures regarding certain environmental
17 programs; requiring the Commission to reduce certain rates for a certain time
18 under certain circumstances; requiring the Commission to consult with the
19 Consumer Protection Division of the Office of the Attorney General before
20 issuing certain regulations; allowing municipal electric utilities to elect to make
21 their service territory available for customer choice; requiring municipal electric
22 utilities to file a certain plan and report by a certain date on a certain status;
23 providing that certain persons may not engage in the business of competitive
24 billing services in certain local jurisdictions unless the person holds a certain
25 license; providing for certain licensure requirements; prohibiting the recovery of
26 consumer education costs under certain circumstances; requiring the
27 Commission to establish a certain universal service program; requiring all
28 customers of electric companies in the State to contribute to the funding of a

1 universal service program; requiring the Commission to report on a universal
2 service program and make a certain recommendation; providing for certain
3 funding of a universal service program; requiring certain actions by the General
4 Assembly regarding certain funding of the universal service program; requiring
5 the Commission to consider certain evidence in determining certain costs or
6 benefits; requiring the Commission to cooperate with and share information
7 with the Antitrust Division of the Office of the Attorney General; requiring
8 certain electric companies to continue purchasing electricity under certain
9 contracts under certain circumstances; prohibiting electricity suppliers and
10 electric companies from terminating certain customers under certain
11 circumstances; requiring the Commission, in consultation with the Maryland
12 Energy Administration, to report by a certain date on the feasibility of requiring
13 a certain renewable portfolio standard; altering the imposition of the
14 environmental surcharge to certain customers; extending the termination date
15 of a certain surcharge; authorizing the Governor to submit a certain budget
16 amendment from the Revenue Stabilization Fund to be used for certain
17 education purposes; requiring the Commission to use certain funds during a
18 certain period to implement a certain program; requiring the Commission to
19 report by a certain date on a certain recommended consumer education funding
20 level for a certain time; providing for the implementation of standard offer
21 service in a certain manner; prohibiting the Commission from requiring
22 divestiture of certain assets; requiring the Commission to ensure the creation of
23 certain competitive electricity services in a certain manner; allowing the
24 Commission to adopt alternative forms of regulation for certain regulated
25 services; ~~allowing~~ requiring the Commission to limit certain rates for a certain
26 period; requiring an electric company to provide certain services in certain
27 territory; requiring certain persons to be licensed by the Commission before
28 providing electricity supply services in the State, subject to certain
29 requirements and enforcement mechanisms; allowing an electric company to
30 transfer or sell certain generation facilities or assets in a certain manner,
31 subject to certain review by the Commission for certain purposes; providing for
32 the opportunity to recover certain costs by certain means and secured or
33 obtained in certain manners; requiring the phased implementation of customer
34 choice for electric customers in the State in a certain manner by certain dates,
35 subject to Commission determination and certain contingencies; establishing
36 the obligation of an electric company to serve customers after a certain date;
37 requiring the implementation of competitive metering and billing on certain
38 dates; providing for investigation of market power in certain manners, subject to
39 certain remedial action by the Commission; providing for reciprocity of customer
40 choice with respect to certain other jurisdictions; providing for certain
41 long-range planning for certain regulated utility services only; requiring certain
42 tariff and rate filings for certain regulated utility services only; eliminating a
43 certain required plan on the State's generating needs; altering certain criteria
44 for obtaining a certificate of public convenience and necessity for a generating
45 station; requiring the Secretary of Natural Resources to use certain funds for
46 certain purposes; providing that certain provisions of the Uniform Commercial
47 Code do not apply to certain property; providing for the adoption of certain
48 regulations; defining certain terms; providing that provisions of this Act are

1 severable; providing for the effective date of a portion of this Act; and generally
2 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~~ 7-203, 7-207, and 7-211
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 BY repealing and reenacting, with amendments,
35 Article - Natural Resources
36 Section 3-302
37 Annotated Code of Maryland

1 (1997 Replacement Volume and 1998 Supplement)

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

4 **Article - Public Utility Companies**

5 1-101.

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

7 (B) (1) "AGGREGATOR" MEANS AN ENTITY ~~OR, INCLUDING A COUNTY OR~~
8 MUNICIPAL CORPORATION, OR AN INDIVIDUAL THAT ACTS ON BEHALF OF A
9 CUSTOMER TO PURCHASE ELECTRICITY.

10 (2) "AGGREGATOR" DOES NOT INCLUDE:

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

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

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

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

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

22 (2) "Common carrier" includes:

23 (i) an airline company;

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

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

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

30 (v) a taxicab company;

31 (vi) a toll bridge company; and

32 (vii) a transit company.

- 1 (3) "Common carrier" does not include:
- 2 (i) a county revenue authority;
- 3 (ii) a toll bridge or other facility owned and operated by a county
4 revenue authority; or
- 5 (iii) a vanpool or launch service.

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

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

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

11 (i) owns an electric plant and transmits, sells, or distributes
12 electricity;

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

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

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

20 [(3)] (2) "Electric company" does not include [a company that generates
21 or transmits electricity exclusively for its own use]:

22 (I) THE FOLLOWING PERSONS WHO SUPPLY ELECTRICITY AND
23 ELECTRICITY SUPPLY SERVICES SOLELY TO OCCUPANTS OF A BUILDING FOR USE BY
24 THE OCCUPANTS:

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

27 2. A LESSEE/OPERATOR WHO HOLDS A LEASEHOLD
28 INTEREST IN AND MANAGES THE INTERNAL DISTRIBUTION SYSTEM SERVING THE
29 BUILDING;

30 (II) ANY PERSON WHO GENERATES ON-SITE GENERATED
31 ELECTRICITY; OR

32 (III) A PERSON WHO TRANSMITS OR DISTRIBUTES ELECTRICITY
33 WITHIN A SITE OWNED BY THE PERSON OR THE PERSON'S AFFILIATE THAT IS
34 ~~PRIMARY~~ INCIDENTAL TO A PRIMARY LANDLORD-TENANT RELATIONSHIP.

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

4 (J) (1) "ELECTRICITY SUPPLIER" MEANS A PERSON:

5 (I) WHO SELLS:

6 1. ELECTRICITY ~~OR~~;

7 2. ELECTRICITY SUPPLY SERVICES ~~OR~~;

8 3. COMPETITIVE BILLING SERVICES; OR

9 4. COMPETITIVE METERING SERVICES; OR

10 (II) WHO PURCHASES, BROKERS, ARRANGES, OR MARKETS
 11 ELECTRICITY OR ELECTRICITY SUPPLY SERVICES FOR SALE TO A RETAIL ELECTRIC
 12 CUSTOMER.

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

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

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

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

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

24 (II) A PERSON WHO GENERATES ON-SITE GENERATED
 25 ELECTRICITY.

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

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

29 (ii) owns a gas plant and:

30 1. transmits, sells, supplies, or distributes artificial or
 31 natural gas; or

32 2. manufactures gas for distribution or sale.

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

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

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

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

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

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

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

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

17 (P) "MUNICIPAL ELECTRIC UTILITY" MEANS A MUNICIPAL CORPORATION, OR
18 A DIVISION OF A MUNICIPAL CORPORATION, THAT IS IN THE BUSINESS OF
19 TRANSMITTING OR DISTRIBUTING ELECTRICITY FOR PURPOSES OTHER THAN END
20 USE BY THE MUNICIPAL CORPORATION.

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

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

24 (2) IS GENERATED AT A FACILITY OWNED OR OPERATED BY AN
25 ELECTRIC CUSTOMER OR OPERATED BY A DESIGNEE OF THE OWNER WHO, WITH THE
26 OTHER TENANTS OF THE FACILITY, CONSUMES AT LEAST 80% OF THE POWER
27 GENERATED ~~BY~~ FOR THE FACILITY EACH YEAR.

28 [(l)] ~~(Q)~~ (R) "Own" includes own, operate, lease to or from, manage, or
29 control.

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

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

1 [(o)] ~~(F)~~ (U) "Proceeding" includes an action, complaint, hearing,
 2 investigation, trial, appeal, order, or similar matter pending before, made, or
 3 conducted by an official body.

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

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

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

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

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

16 (i) the amount of a charge; or

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

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

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

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

24 (1) SOLAR;

25 (2) WIND;

26 (3) TIDAL;

27 (4) GEOTHERMAL;

28 (5) BIOMASS, INCLUDING WASTE-TO-ENERGY AND LANDFILL GAS
 29 RECOVERY;

30 (6) HYDROELECTRIC FACILITIES;

31 (7) DIGESTER GAS; AND

32 (8) A MANUFACTURING OR COMMERCIAL WASTE-TO-ENERGY SYSTEM
 33 OR FACILITY.

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

3 (2) "RETAIL ELECTRIC CUSTOMER" EXCLUDES:

4 (I) AN OCCUPANT OF A BUILDING IN WHICH THE
5 OWNER/OPERATOR OR LESSEE/OPERATOR MANAGES THE INTERNAL DISTRIBUTION
6 SYSTEM SERVING THE BUILDING AND SUPPLIES ELECTRICITY AND ELECTRICITY
7 SUPPLY SERVICES SOLELY TO OCCUPANTS OF THE BUILDING FOR USE BY THE
8 OCCUPANTS; AND

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

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

14 [(u)] ~~(BB)~~ (CC) "Small rural electric cooperative" means an electric company
15 that:

16 (1) serves only the consumers that exclusively own and control the
17 company;

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

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

20 [(v)] ~~(CC)~~ (DD) "State" means:

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

23 (2) the District of Columbia.

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

26 [(x)] ~~(EE)~~ (FF) "Street railroad" means a railroad:

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

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

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

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

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

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

6 [(z)] ~~(GG)~~ (HH) "Telegraph company" means a public service company that:

7 (1) owns telegraph lines to receive, transmit, or communicate telegraphic
8 communications; or

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

10 [(aa)] ~~(HH)~~ (II) "Telegraph lines" means the material, equipment, and
11 property owned by a telegraph company and used or to be used for or in connection
12 with telegraph service.

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

14 (i) owns telephone lines to receive, transmit, or communicate
15 telephone or teletype communications; or

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

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

18 [(cc)] ~~(JJ)~~ (KK) "Telephone lines" means the material, equipment, and property
19 owned by a telephone company and used or to be used for or in connection with
20 telephone service.

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

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

25 (i) regularly scheduled operations;

26 (ii) charter or contract operations; or

27 (iii) tour or sightseeing operations.

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

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

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

4 2-118.

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

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

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

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

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

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

24 4-201.

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

28 4-202.

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

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

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

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

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

3 7-201.

4 (a) [In cooperation with the Secretary of Natural Resources as provided under
5 § 3-304 of the Natural Resources Article, the Commission shall assemble and
6 evaluate annually the long-range plans of the State's electric companies regarding
7 generating needs and the means to meet those needs.

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

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

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

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

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

25 (2) The evaluation of investments shall include:

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

30 (ii) utilization of renewable energy sources;

31 (iii) promotion and utilization of electricity from cogeneration and
32 wastes; and

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

1 7-207.

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

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

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

14 (1) A PERSON MAY NOT BEGIN CONSTRUCTION IN THE STATE OF A
15 GENERATING STATION OR EXERCISE A RIGHT OF CONDEMNATION IN CONNECTION
16 WITH THE CONSTRUCTION; AND

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

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

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

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

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

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

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

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

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

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

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

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

13 (i) {the stability and reliability of the electric system;

14 (ii)} economics;

15 {(iii)} ~~(H)~~ esthetics;

16 {(iv)} ~~(HH)~~ historic sites;

17 {(v)} ~~(HV)~~ aviation safety as determined by the Maryland Aviation
 18 Administration and the administrator of the Federal Aviation Administration;

19 {(vi)} ~~(V)~~ when applicable, air and water pollution; and

20 {(vii)} ~~(VI)~~ the availability of means for the required timely disposal
 21 of wastes produced by any generating station.

22 (f) FOR THE CONSTRUCTION OF AN OVERHEAD TRANSMISSION LINE, IN
 23 ADDITION TO THE CONSIDERATIONS LISTED IN SUBSECTION (E) OF THIS SECTION,
 24 THE COMMISSION SHALL TAKE FINAL ACTION ON AN APPLICATION FOR A
 25 CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY ONLY AFTER DUE
 26 CONSIDERATION OF THE ~~FOLLOWING ADDITIONAL FACTORS:~~

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

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

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

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

4 (ii) the Maryland Aviation Administration concurs in that
5 determination.

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

10 7-211.

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

15 (b) The Commission shall:

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

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

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

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

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

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

34 (I) THE IMPACT ON JOBS;

35 (II) THE IMPACT ON THE ENVIRONMENT;

36 (III) THE IMPACT ON RATES; AND

1 (IV) THE COST-EFFECTIVENESS.

2 SUBTITLE 5. ELECTRIC INDUSTRY RESTRUCTURING.

3 PART I. GENERAL PROVISIONS.

4 7-501.

5 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
6 INDICATED.

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

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

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

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

20 (E) "CONSUMER" AND "CUSTOMER" EACH MEANS A RETAIL ELECTRIC
21 CUSTOMER.

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

29 (G) "DISTRIBUTION TERRITORY" MEANS THE GEOGRAPHIC AREA IN WHICH AN
30 ELECTRIC COMPANY WAS PROVIDING ELECTRIC TRANSMISSION OR DISTRIBUTION
31 SERVICES TO CUSTOMERS ON JULY 1, 1999, SUBJECT TO MODIFICATION AS
32 SPECIFIED IN § 7-210 OF THIS TITLE.

33 (H) "INITIAL IMPLEMENTATION DATE" MEANS:

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

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

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

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

8 (J) "INTANGIBLE TRANSITION PROPERTY" MEANS THE RIGHT, TITLE, AND
9 INTEREST OF AN ELECTRIC COMPANY OR ASSIGNEE IN A QUALIFIED RATE ORDER,
10 INCLUDING:

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

15 (2) IN THE HANDS OF AN ASSIGNEE:

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

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

20 (K) (1) "PUBLIC PURPOSE PROGRAM" MEANS A PROGRAM IMPLEMENTED
21 WITH THE INTENTION OF FURTHERING A PUBLIC PURPOSE.

22 (2) "PUBLIC PURPOSE PROGRAM" INCLUDES:

23 ~~(I)~~ (I) A UNIVERSAL SERVICE PROGRAM;

24 ~~(II)~~ (II) A PROGRAM ENCOURAGING RENEWABLE ENERGY RESOURCES;

25 ~~OR~~

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

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

30 (IV) A CONSUMER EDUCATION PROGRAM.

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

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

1 (N) "TRANSITION BOND" MEANS A BOND, DEBENTURE, NOTE, CERTIFICATE OF
 2 PARTICIPATION OR BENEFICIAL INTEREST, OR OTHER EVIDENCE OF INDEBTEDNESS
 3 OR OWNERSHIP, APPROVED IN A QUALIFIED RATE ORDER AND ISSUED UNDER AN
 4 EXECUTED TRUST INDENTURE OR OTHER AGREEMENT OF AN ELECTRIC COMPANY
 5 OR ASSIGNEE, AND WHICH IS SECURED BY, EVIDENCES OWNERSHIP INTEREST IN, OR
 6 IS PAYABLE FROM INTANGIBLE TRANSITION PROPERTY.

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

8 (1) TRADITIONALLY WOULD HAVE BEEN OR WOULD BE RECOVERABLE
 9 UNDER RATE-OF-RETURN REGULATION, INCLUDING RETAIL RATES FOR THE
 10 PROVISION OF ELECTRIC SERVICE, BUT WHICH MAY NOT BE RECOVERABLE IN A
 11 RESTRUCTURED ELECTRICITY SUPPLY MARKET; OR

12 (2) ~~WHICH~~ ARISE AS A RESULT OF ELECTRIC INDUSTRY
 13 RESTRUCTURING; ~~AND~~

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

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

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

21 7-502. RESERVED.

22 7-503. RESERVED.

23 PART II. ELECTRIC INDUSTRY RESTRUCTURING ENABLED.

24 7-504.

25 THE GENERAL ASSEMBLY FINDS AND DECLARES THAT THE PURPOSE OF THIS
 26 SUBTITLE IS TO:

27 (1) MODIFY AND CLARIFY EXISTING LAW TO ESTABLISH CUSTOMER
 28 CHOICE OF ELECTRICITY SUPPLY AND ELECTRICITY SUPPLY SERVICES;

29 (2) CREATE COMPETITIVE RETAIL ELECTRICITY SUPPLY AND
 30 ELECTRICITY SUPPLY SERVICES MARKETS; ~~AND~~

31 (3) DEREGULATE THE GENERATION, SUPPLY, AND PRICING OF
 32 ELECTRICITY;

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

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

1 7-505.

2 (A) (1) 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, AND BE FAIR TO CUSTOMERS, ELECTRIC COMPANY
8 INVESTORS, CUSTOMERS OF MUNICIPAL ELECTRIC UTILITIES, ELECTRIC
9 COMPANIES, AND ELECTRICITY SUPPLIERS.

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

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

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

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

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

23 (2) (3) ~~THE COMMISSION MAY SHALL~~ ORDER UNIVERSAL SERVICE
24 ~~PROGRAMS TO BE MADE AVAILABLE IN EACH ELECTRIC COMPANY'S DISTRIBUTION~~
25 ~~TERRITORY, ON A STATEWIDE BASIS, TO BENEFIT LOW-INCOME CUSTOMERS, IN~~
26 ACCORDANCE WITH § 7-512.1 OF THIS SUBTITLE.

27 (3) (4) ~~THE COMMISSION MAY SHALL~~ ORDER AN ELECTRIC COMPANY
28 TO ADOPT 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) (5) (I) ~~THE COMMISSION MAY SHALL~~, BY REGULATION OR
35 ORDER, REQUIRE EACH ELECTRIC COMPANY AND ELECTRICITY SUPPLIER TO
36 PROVIDE ADEQUATE AND ACCURATE ~~CUSTOMER~~ INFORMATION TO EACH CUSTOMER
37 ON THE AVAILABLE ELECTRIC SERVICES OF THE ELECTRIC COMPANY OR
38 ELECTRICITY SUPPLIER, INCLUDING DISCLOSURE ON AN ANNUAL BASIS OF A
39 UNIFORM COMMON SET OF INFORMATION ABOUT:

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

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

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

12 ~~(5)~~ (6) (I) THE COMMISSION SHALL, BY REGULATION OR ORDER,
 13 REQUIRE THE UNBUNDLING OF ELECTRIC COMPANY RATES, CHARGES, AND
 14 SERVICES INTO STANDARDIZED CATEGORIES THAT DETERMINED BY THE
 15 COMMISSION DETERMINES.

16 (II) THE COMMISSION MAY REBUNDLE RATES OR CHARGES FOR
 17 CUSTOMER BILLING AND PAYMENT PURPOSES.

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

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

24 ~~(6)~~ (9) THE COMMISSION SHALL DETERMINE THE TERMS,
 25 CONDITIONS, AND RATES OF STANDARD OFFER SERVICE UNDER IN ACCORDANCE
 26 WITH:

27 (I) TITLE 4 OF THIS ARTICLE; OR

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

29 ~~(7)~~ (10) IN CONNECTION WITH § 7-513 OF THIS SUBTITLE, THE
 30 COMMISSION MAY NOT REQUIRE AN ELECTRIC COMPANY TO DIVEST ITSELF OF A
 31 GENERATION ASSET OR PROHIBIT AN ELECTRIC COMPANY FROM DIVESTING ITSELF
 32 VOLUNTARILY OF A GENERATION ASSET.

33 ~~(8)~~ (11) (I) ON OR BEFORE JULY 1, 2000, THE COMMISSION SHALL, BY
 34 REGULATION OR ORDER, ISSUE ORDERS OR ADOPT REGULATIONS REASONABLY
 35 DESIGNED TO ENSURE THE CREATION OF COMPETITIVE ELECTRICITY SUPPLY AND
 36 ELECTRICITY SUPPLY SERVICES MARKETS, WITH APPROPRIATE CUSTOMER
 37 SAFEGUARDS. IN DOING SO

1 (II) ON OR BEFORE JULY 1, 2000, THE COMMISSION SHALL
 2 ~~CONSIDER, AMONG OTHER FACTORS, THE FOLLOWING SAFEGUARDS REQUIRE:~~

3 ~~(H) 1. AN APPROPRIATE CODE OF CONDUCT BETWEEN THE~~
 4 ~~ELECTRIC COMPANY AND ANY AFFILIATE PROVIDING ELECTRICITY SUPPLY AND~~
 5 ~~ELECTRICITY SUPPLY SERVICES IN THE STATE;~~

6 ~~(H) 2. ACCESS BY ELECTRICITY SUPPLIERS AND CUSTOMERS TO~~
 7 ~~THE ELECTRIC COMPANY'S TRANSMISSION AND DISTRIBUTION SYSTEM ON A~~
 8 ~~NONDISCRIMINATORY BASIS;~~

9 ~~3. APPROPRIATE COMPLAINT AND ENFORCEMENT~~
 10 ~~PROCEDURES; AND~~

11 ~~4. ANY OTHER SAFEGUARDS DEEMED NECESSARY BY THE~~
 12 ~~COMMISSION TO ENSURE THE CREATION AND MAINTENANCE OF A COMPETITIVE~~
 13 ~~ELECTRICITY SUPPLY AND ELECTRICITY SUPPLY SERVICES MARKET.~~

14 ~~(III) ON OR BEFORE JULY 1, 2000, THE COMMISSION SHALL~~
 15 ~~CONSIDER, AMONG OTHER FACTORS, FUNCTIONAL, OPERATIONAL, STRUCTURAL, OR~~
 16 ~~LEGAL SEPARATION BETWEEN THE ELECTRIC COMPANY'S REGULATED BUSINESSES~~
 17 ~~AND ITS NONREGULATED BUSINESSES OR NONREGULATED AFFILIATES; ~~AND~~~~

18 ~~(IV) APPROPRIATE COMPLAINT AND ENFORCEMENT PROCEDURES.~~

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

23 ~~(9) (13) THE COMMISSION, IN CONSULTATION WITH THE DEPARTMENT~~
 24 ~~OF THE ENVIRONMENT, SHALL ADOPT APPROPRIATE MEASURES TO MAINTAIN~~
 25 ~~ENVIRONMENTAL STANDARDS, ADAPT EXISTING PROGRAMS, AND DEVELOP NEW~~
 26 ~~PROGRAMS AS APPROPRIATE TO ENSURE THAT FEDERAL AND STATE~~
 27 ~~ENVIRONMENTAL PROTECTION STANDARDS ARE NOT COMPROMISED IN A~~
 28 ~~COMPETITIVE ELECTRICITY MARKET.~~

29 ~~(14) (I) AN ELECTRIC COMPANY SHALL COMPLY WITH ALL~~
 30 ~~REQUIREMENTS OF THE COMMISSION IN CONDUCTING REGULATED OPERATIONS IN~~
 31 ~~COMPLIANCE WITH THIS ARTICLE. ~~IN ADDITION,~~~~

32 ~~(II) THE COMMISSION SHALL REQUIRE EACH ELECTRIC COMPANY~~
 33 ~~TO ADOPT A CODE OF CONDUCT TO BE APPROVED BY THE COMMISSION BY A DATE TO~~
 34 ~~BE DETERMINED BY THE COMMISSION TO PREVENT REGULATED SERVICE~~
 35 ~~CUSTOMERS FROM SUBSIDIZING THE SERVICES OF UNREGULATED BUSINESSES OR~~
 36 ~~AFFILIATES OF THE ELECTRIC COMPANY. ~~HOWEVER, NOTHING IN THIS SUBTITLE~~~~
 37 ~~~~MAY BE CONSTRUED TO GIVE THE COMMISSION THE AUTHORITY TO REGULATE AN~~~~
 38 ~~~~AFFILIATE OF AN ELECTRIC COMPANY WITH RESPECT TO ANY NONREGULATED~~~~
 39 ~~~~BUSINESS OR ACTIVITIES OF THE AFFILIATE.~~~~

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

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

8 (I) PROTECTS CONSUMERS;

9 (II) ENSURES THE QUALITY, AVAILABILITY, AND RELIABILITY OF
 10 REGULATED ELECTRIC SERVICES; AND

11 (III) IS IN THE INTEREST OF THE PUBLIC, INCLUDING
 12 SHAREHOLDERS OF THE ELECTRIC COMPANY.

13 (3) ALTERNATIVE FORMS OF REGULATION MAY INCLUDE:

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

15 (II) REVENUE REGULATION;

16 (III) RANGES OF AUTHORIZED RETURN;

17 (IV) RATE OF RETURN;

18 (V) CATEGORIES OF SERVICES; OR

19 (VI) PRICE-INDEXING.

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

27 (2) (I) THE CAP REQUIRED UNDER PARAGRAPH (1) OF THIS
 28 SUBSECTION DOES NOT APPLY TO THE RECOVERY OF COSTS ADDED AFTER JANUARY
 29 1, 2000, IN ACCORDANCE WITH § 7-512(C) OF THIS SUBTITLE.

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

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

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

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

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

9 2. THE REDUCTION REQUIRED UNDER SUB-SUBPARAGRAPH
10 1 OF THIS SUBPARAGRAPH SHALL BEGIN ON THE INITIAL IMPLEMENTATION DATE
11 AND REMAIN IN EFFECT FOR 4 YEARS.

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

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

17 1. THE EXPIRATION OF ANY SURCHARGE;

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

19 3. COST OF SERVICE DETERMINATIONS ORDERED BY THE
20 COMMISSION;

21 4. NET TRANSITION COSTS OR BENEFITS; AND

22 5. THE EFFECT ON THE COMPETITIVE ELECTRICITY SUPPLY
23 MARKET.

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

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

32 (5) THE REQUIREMENTS OF PARAGRAPH (4) OF THIS SUBSECTION DO
33 NOT APPLY TO AN ELECTRIC COMPANY IF THE COMMISSION APPROVES OR HAS IN
34 EFFECT A SETTLEMENT THAT THE COMMISSION DETERMINES IS EQUALLY
35 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) THE ELECTRIC COMPANY SHALL PROVIDE STANDARD OFFER SERVICE
15 UNDER § 7-510(C) OF THIS SUBTITLE.

16 7-507.

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

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

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

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

26 (3) CONTAIN INFORMATION THAT THE COMMISSION REQUIRES,
27 INCLUDING:

28 (I) PROOF OF TECHNICAL AND MANAGERIAL COMPETENCE;

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

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

36 (IV) PAYMENT OF THE APPLICABLE LICENSING FEE.

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

2 (1) REQUIRE PROOF OF FINANCIAL INTEGRITY;

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

7 (3) REQUIRE A LICENSEE TO:

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

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

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

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

17 (E) THE COMMISSION ~~MAY~~ SHALL ADOPT REGULATIONS OR ISSUE ORDERS
18 TO:

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

21 (2) REQUIRE EACH ELECTRICITY SUPPLIER TO PROVIDE, IN ADDITION
22 TO THE REQUIREMENTS UNDER § 7-505(B)(5) OF THIS SUBTITLE, ADEQUATE AND
23 ACCURATE CUSTOMER INFORMATION TO ENABLE CUSTOMERS TO MAKE INFORMED
24 CHOICES REGARDING THE PURCHASE OF ANY ELECTRICITY SERVICES OFFERED BY
25 THE ELECTRICITY SUPPLIER;

26 (3) ESTABLISH REASONABLE RESTRICTIONS ON TELEMARKETING;

27 (4) ESTABLISH PROCEDURES FOR CONTRACTING WITH CUSTOMERS;

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

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

33 (7) ESTABLISH PROCEDURES FOR DISPUTE RESOLUTION.

34 (F) ELECTRICITY BILLS, FOR COMPETITIVE AND REGULATED ELECTRIC
35 SERVICES, PROVIDED TO CONSUMERS MUST BE SHALL;

1 (1) BE PREPARED AND ISSUED IN ACCORDANCE WITH REGULATIONS OR
2 ORDERS OF THE COMMISSION; AND

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

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

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

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

12 (G) (1) AN ELECTRICITY SUPPLIER OR ANY PERSON OR GOVERNMENTAL
13 UNIT MAY NOT MAKE ANY CHANGE IN THE ELECTRICITY SUPPLIER FOR A CUSTOMER
14 OR ADD A NEW CHARGE FOR A NEW OR EXISTING SERVICE OR OPTION WITHOUT
15 FIRST OBTAINING THE CUSTOMER'S PERMISSION.

16 (2) THE COMMISSION SHALL ADOPT REGULATIONS OR ISSUE ORDERS
17 ESTABLISHING PROCEDURES TO PREVENT ~~UNAUTHORIZED SWITCHING THE~~
18 PRACTICES PROHIBITED UNDER PARAGRAPH (1) OF THIS SUBSECTION.

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

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

27 (3) JUST CAUSE INCLUDES:

28 (I) INTENTIONALLY PROVIDING FALSE INFORMATION TO THE
29 COMMISSION;

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

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

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

35 (V) FAILING TO MAINTAIN FINANCIAL INTEGRITY;

36 (VI) VIOLATING A COMMISSION REGULATION OR ORDER; ~~AND~~

1 (VII) Failing to pay, collect, remit, or calculate
2 accurately applicable state or local taxes;

3 (VIII) Violating a provision of the public utility companies
4 article or applicable consumer protection law of the state;

5 (IX) Conviction of a felony by the licensee or principal of
6 the licensee or any crime involving fraud, theft, or deceit; and

7 (X) Suspension or revocation of a license by any state or
8 federal authority.

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

11 (I) A CIVIL PENALTY OF NOT MORE THAN ~~\$2,500~~ \$10,000 FOR THE
12 VIOLATION; OR

13 (II) LICENSE REVOCATION OR SUSPENSION.

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

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

17 (I) THE NUMBER OF PREVIOUS VIOLATIONS OF ANY PROVISION OF
18 THIS ARTICLE;

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

20 (III) THE GOOD FAITH OF THE ELECTRICITY SUPPLIER OR PERSON
21 CHARGED IN ATTEMPTING TO ACHIEVE COMPLIANCE AFTER NOTIFICATION OF THE
22 VIOLATION.

23 (J) IN CONNECTION WITH A CONSUMER COMPLAINT OR COMMISSION
24 INVESTIGATION UNDER THIS SECTION, AN ELECTRICITY SUPPLIER SHALL PROVIDE
25 TO THE COMMISSION ACCESS TO ANY ACCOUNTS, BOOKS, PAPERS, AND DOCUMENTS
26 WHICH THE COMMISSION CONSIDERS NECESSARY TO RESOLVE THE MATTER AT
27 ISSUE.

28 (K) THE COMMISSION MAY ORDER THE ELECTRICITY SUPPLIER TO CEASE
29 ADDING OR SOLICITING ADDITIONAL CUSTOMERS OR TO CEASE SERVING
30 CUSTOMERS IN THE STATE.

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

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

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

7 7-508.

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

10 (B) THE TRANSFER OF A GENERATION FACILITY OR GENERATION ASSET TO
11 AN AFFILIATE MAY NOT AFFECT OR RESTRICT THE COMMISSION'S DETERMINATION
12 OF THE VALUE OF A GENERATION ASSET FOR PURPOSES OF TRANSITION COSTS
13 UNDER § 7-513(B) OF THIS SUBTITLE.

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

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

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

21 (2) THE COMMISSION MAY REVIEW AND APPROVE THE TRANSFER FOR
22 THE SOLE PURPOSE OF DETERMINING ~~THAT~~:

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

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

27 (III) THE APPROPRIATE TRANSFER PRICE AND RATE MAKING
28 TREATMENT.

29 ~~(D)~~ (3) THE COMMISSION SHALL ACT ON THE TRANSFER OF A GENERATION
30 FACILITY OR GENERATION ASSET UNDER THIS ~~SECTION~~ SUBSECTION WITHIN 180
31 DAYS AFTER THE ELECTRIC COMPANY FILES ITS PROPOSED TRANSFER APPLICATION
32 AND ANY REQUIRED SUPPORTING INFORMATION.

33 7-509.

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

1 (I) ESTABLISH THE PRICE FOR STANDARD OFFER SERVICE UNDER
2 § 7-510(C) OF THIS SUBTITLE; AND

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

5 (2) THIS SUBSECTION DOES NOT APPLY TO:

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

8 (II) THE COSTS OF NUCLEAR GENERATION FACILITIES OR
9 PURCHASED POWER CONTRACTS ~~WHICH THAT, AS PART OF A SETTLEMENT~~
10 APPROVED BY THE COMMISSION, REMAIN REGULATED OR ARE RECOVERED
11 THROUGH THE DISTRIBUTION FUNCTION.

12 (B) ~~EXCEPT FOR AN ELECTRIC COMPANY WHOSE RETAIL PEAK LOAD IN THE~~
13 ~~STATE ON JANUARY 1, 1999, WAS LESS THAN 1,000 MEGAWATTS (1) SUBJECT TO~~
14 PARAGRAPH (2) OF THIS SUBSECTION, THIS SECTION DOES NOT APPLY TO AN
15 ELECTRIC COMPANY UNTIL THE ELECTRIC COMPANY:

16 (⊕) (I) TRANSFERS GENERATION FACILITIES AND GENERATION
17 ASSETS TO AN AFFILIATE OF THE ELECTRIC COMPANY, AND THE AFFILIATE
18 OPERATES THE FACILITIES AND ASSETS; OR

19 (⊖) (II) SELLS THE GENERATION FACILITIES AND GENERATION ASSETS
20 TO A NONAFFILIATE.

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

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

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

34 2. SELL THE GENERATION FACILITIES AND GENERATION
35 ASSETS TO A NONAFFILIATE.

36 (C) THE EXCEPTIONS IN SUBSECTION ~~(A)(2)~~ (A)(1) OF THIS SECTION AS TO ANY
37 ELECTRIC COMPANY SHALL REMAIN IN EFFECT UNTIL THE LATER OF ~~THE DATE~~
38 ~~WHEN:~~

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

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

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

9 7-510.

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

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

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

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

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

23 (2) (I) IN ACCORDANCE WITH THIS PARAGRAPH, THE COMMISSION
24 MAY DEVELOP ADOPT A SEPARATE SCHEDULE FOR MUNICIPAL ELECTRIC UTILITIES
25 FOR THE IMPLEMENTATION OF CUSTOMER CHOICE.

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

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

32 (IV) THE COMMISSION MAY APPROVE EACH MUNICIPAL ELECTRIC
33 UTILITY PLAN AND SCHEDULE AFTER CONSIDERING THE FEATURES THAT
34 DISTINGUISH THE MUNICIPAL ELECTRIC UTILITY FROM OTHER ELECTRIC
35 COMPANIES.

36 (V) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED AS
37 REQUIRING THE FUNCTIONAL, OPERATIONAL, STRUCTURAL, OR LEGAL SEPARATION

1 OF THE REGULATED AND NONREGULATED OPERATIONS OF THE MUNICIPAL
2 ELECTRIC UTILITY.

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

7 (I) IF THE SERVICE TERRITORY OF THE MUNICIPAL ELECTRIC
8 UTILITY IS AVAILABLE FOR CUSTOMER CHOICE, ITS EXPERIENCE, THROUGH JULY 1,
9 2003, WITH THE TRANSITION TO CUSTOMER CHOICE; OR

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

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

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

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

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

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

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

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

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

35 (III) CANNOT ARRANGE FOR ELECTRICITY FROM AN ELECTRICITY
36 SUPPLIER; ~~OR~~

37 (IV) DOES NOT CHOOSE AN ELECTRICITY SUPPLIER;

1 (V) CHOOSES THE STANDARD OFFER SERVICE; OR

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

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

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

12 (II) 1. IF THE COMMISSION FINDS THAT THE ELECTRICITY
13 SUPPLY MARKET IS NOT COMPETITIVE OR THAT NO ACCEPTABLE COMPETITIVE
14 PROPOSAL HAS BEEN RECEIVED TO SUPPLY ELECTRICITY TO THOSE CUSTOMERS
15 DESCRIBED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE COMMISSION MAY
16 EXTEND THE OBLIGATION TO PROVIDE STANDARD OFFER SERVICE TO RESIDENTIAL
17 AND SMALL COMMERCIAL CUSTOMERS UNTIL JULY 1, 2004, AT THE LATEST, AT A
18 RATE DETERMINED UNDER § 7-505(C) OF THIS SUBTITLE AT A MARKET PRICE THAT
19 PERMITS RECOVERY OF THE VERIFIABLE PRUDENTLY INCURRED COSTS TO
20 PROCURE OR PRODUCE THE ELECTRICITY PLUS A REASONABLE RETURN.

21 2. THE COMMISSION SHALL REEXAMINE THE FINDING
22 MADE UNDER THIS SUBPARAGRAPH AT LEAST ANNUALLY.

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

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

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

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

1 7-511.

2 (A) EXCEPT FOR ELECTRIC COOPERATIVES AND MUNICIPAL ELECTRIC
3 UTILITIES:

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

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

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

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

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

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

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

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

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

25 3. HAVE A RESIDENT AGENT IN THE STATE.

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

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

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

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

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

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

7 7-512.

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

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

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

18 (⊕) ~~DEMAND SIDE MANAGEMENT AND OTHER ENERGY~~
 19 ~~CONSERVATION PROGRAMS AND PLANS;~~

20 (⊕) ~~UNIVERSAL SERVICE PROGRAMS AND OTHER PUBLIC PURPOSE~~
 21 ~~PROGRAMS; AND~~

22 (⊕) ~~CONSUMER EDUCATION PROGRAMS UNDER § 7-505(B)(1) OF~~
 23 ~~THIS SUBTITLE.~~

24 (2) (1) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION,
 25 THE COSTS SUBJECT TO THIS SUBSECTION SHALL BE FUNDED ~~IN THE ELECTRIC~~
 26 ~~COMPANY'S DISTRIBUTION TERRITORY~~ BY A SURCHARGE OR OTHER COST RECOVERY
 27 MECHANISM COLLECTED ON A STATEWIDE BASIS THAT:

28 (⊕) 1. FULLY RECOVERS FROM CUSTOMERS ~~IN THE TERRITORY~~
 29 THE COSTS OF THE PLANS AND PROGRAMS ~~IN THE TERRITORY;~~ AND

30 (⊕) 2. SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,
 31 WITH RESPECT TO ANY OF THESE COSTS NOT INCLUDED IN RATES ON JANUARY 1,
 32 2000, IS NOT SUBJECT TO ANY OTHERWISE APPLICABLE ~~RATE FREEZE OR CAP.~~

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

36 (3) DURING THE FISCAL YEAR ENDING JUNE 30, 2000, AN ELECTRIC
 37 COMPANY MAY NOT, UNDER PARAGRAPH (2) OF THIS SUBSECTION, RECOVER COSTS

1 OF A CONSUMER EDUCATION PROGRAM ESTABLISHED BY LAW, REGULATION, OR
2 ORDER.

3 7-512.1.

4 (A) (1) THE COMMISSION SHALL ESTABLISH A UNIVERSAL SERVICE
5 PROGRAM TO ASSIST ELECTRIC CUSTOMERS WITH ANNUAL INCOMES AT OR BELOW
6 150% OF THE FEDERAL POVERTY LEVEL.

7 (2) THE COMMISSION, WITH INPUT FROM A PANEL OR ROUNDTABLE OF
8 INTERESTED PARTIES, SHALL CONTRACT WITH A FOR-PROFIT OR NONPROFIT
9 MARYLAND CORPORATION EXISTING AS OF JULY 1, 1999 TO ADMINISTER THE
10 UNIVERSAL SERVICE PROGRAM.

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

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

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

17 (II) LOW-INCOME WEATHERIZATION; AND

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

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

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

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

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

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

34 (2) FOR BILL ASSISTANCE:

35 (I) THE TOTAL AMOUNT OF NEED, AS DETERMINED BY THE
36 COMMISSION, FOR ELECTRIC CUSTOMERS WITH ANNUAL INCOMES AT OR BELOW

1 150% OF THE FEDERAL POVERTY LEVEL AND THE BASIS FOR THIS DETERMINATION;
2 AND

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

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

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

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

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

22 (D) THE TOTAL AMOUNT OF FUNDS TO BE USED FOR THE UNIVERSAL
23 SERVICE PROGRAM IN EACH OF THE 3 YEARS FOLLOWING THE INITIAL
24 IMPLEMENTATION DATE SHALL BE AS FOLLOWS:

25 (1) \$34,000,000 FOR THE FIRST YEAR;

26 (2) \$36,000,000 FOR THE SECOND YEAR; AND

27 (3) \$38,000,000 FOR THE THIRD YEAR.

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

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

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

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

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

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

9 (G) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, FOR THE 3
10 YEARS IMMEDIATELY FOLLOWING THE INITIAL IMPLEMENTATION DATE,
11 ELECTRICITY SUPPLIERS AND ELECTRIC COMPANIES MAY NOT TERMINATE, FOR AN
12 ARREARAGE BALANCE DUE ON THE INITIAL IMPLEMENTATION DATE, THE SUPPLY
13 OF ELECTRICITY TO A CUSTOMER WHO RECEIVES ASSISTANCE UNDER THE
14 UNIVERSAL SERVICE PROGRAM UNDER § 7-512.1 OF THIS SUBTITLE THIS SECTION.

15 7-513.

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

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

31 (3) THE COMPETITIVE TRANSITION CHARGE MAY BE INCLUDED ON
32 BILLS TO CUSTOMERS FOR A PERIOD DETERMINED BY THE COMMISSION. THE
33 COMMISSION MAY ESTABLISH RECOVERY PERIODS OF DIFFERENT LENGTHS FOR
34 EACH ELECTRIC COMPANY AND FOR DIFFERENT CATEGORIES OF TRANSITION
35 COSTS.

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

39 1. THE EXISTING FACILITIES' INSTALLED GENERATING
40 CAPACITY AS OF JANUARY 1, 1999; ~~OR~~

1 (D) (1) THE COMMISSION SHALL ESTABLISH PROCEDURES FOR THE
2 ANNUAL REVIEW OF THE COMPETITIVE TRANSITION CHARGE FOR EACH ELECTRIC
3 COMPANY TO RECONCILE THE ANNUAL REVENUES RECEIVED FROM THE CHARGE
4 WITH THE ANNUAL AMORTIZATION OF TRANSITION COSTS APPROVED BY THE
5 COMMISSION UNDER THIS SECTION TO TAKE ACCOUNT OF ACTUAL KILOWATT-HOUR
6 SALES IN THE PRIOR YEAR COMPARED WITH PREVIOUSLY ESTIMATED
7 KILOWATT-HOUR SALES. THE COMMISSION SHALL ADJUST THE COMPETITIVE
8 TRANSITION CHARGE BASED ON ANY UNDER RECOVERY OR OVER RECOVERY WITH
9 RESPECT TO THE AUTHORIZED AMORTIZATION AMOUNT.

10 (2) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED ~~TO PREVENT AS~~
11 PREVENTING THE COMMISSION FROM APPROVING FOR AN INVESTOR-OWNED
12 ELECTRIC COMPANY:

13 (I) AN ADJUSTMENT MECHANISM PROPOSED BY THE
14 INVESTOR-OWNED ELECTRIC COMPANY IN ITS INITIAL RESTRUCTURING PROPOSAL
15 FILED PRIOR TO JANUARY 1, 1999, THAT ~~INCLUDES~~ TAKES INTO ACCOUNT
16 DIFFERENCES OTHER THAN DIFFERENCES IN KILOWATT-HOUR SALES, TAKING INTO
17 CONSIDERATION ANY REQUIREMENTS RELATED TO ANY TRANSITION BONDS; ~~OR~~

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

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

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

26 (I) BOOK VALUE AND FAIR MARKET VALUE;

27 (II) AUCTIONS AND SALES OF COMPARABLE ASSETS;

28 (III) APPRAISALS;

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

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

33 (VI) COMPUTER SIMULATIONS.

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

1 7-514.

2 (A) ON COMPLAINT OR ON ITS OWN MOTION, FOR GOOD CAUSE SHOWN, THE
3 COMMISSION MAY CONDUCT AN INVESTIGATION OF THE RETAIL ELECTRICITY
4 SUPPLY AND ELECTRICITY SUPPLY SERVICES MARKETS AND DETERMINE WHETHER
5 THE FUNCTION OF ONE OF THESE MARKETS IS BEING ADVERSELY AFFECTED BY
6 MARKET POWER OR ANY OTHER ANTICOMPETITIVE CONDUCT. THE COMMISSION
7 SHALL MONITOR THE RETAIL ELECTRICITY SUPPLY AND ELECTRICITY SUPPLY
8 SERVICES MARKETS TO ENSURE THAT THE MARKETS ARE NOT BEING ADVERSELY
9 AFFECTED BY MARKET POWER OR ANY OTHER ANTICOMPETITIVE CONDUCT.

10 (B) IF, AS A RESULT OF AN INVESTIGATION CONDUCTED UNDER THIS
11 SECTION, THE COMMISSION DETERMINES THAT MARKET POWER OR ANY OTHER
12 ANTICOMPETITIVE CONDUCT IN THE RELEVANT MARKET UNDER THE COMMISSION'S
13 JURISDICTION IS PREVENTING THE ELECTRIC CUSTOMERS IN THE STATE FROM
14 OBTAINING THE BENEFITS OF PROPERLY FUNCTIONING RETAIL ELECTRICITY
15 SUPPLY AND ELECTRICITY SUPPLY SERVICES MARKETS, THE COMMISSION MAY
16 TAKE REMEDIAL ACTIONS WITHIN ITS AUTHORITY TO ADDRESS THE IMPACT OF THE
17 MARKET POWER OR ANY OTHER ANTICOMPETITIVE CONDUCT ACTIVITIES.

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

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

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

25 7-515.

26 AN ELECTRICITY SUPPLIER THAT ALSO PROVIDES DISTRIBUTION SERVICE, OR
27 THAT HAS AN AFFILIATE THAT PROVIDES DISTRIBUTION SERVICE, IN
28 PENNSYLVANIA, DELAWARE, WEST VIRGINIA, AND VIRGINIA OR IN THE DISTRICT OF
29 COLUMBIA MAY NOT PROVIDE RETAIL ELECTRICITY SUPPLY SERVICE, DIRECTLY,
30 INDIRECTLY, OR THROUGH AN AGGREGATOR, MARKETER, OR BROKER, IN THE
31 DISTRIBUTION TERRITORY OF AN UNAFFILIATED ELECTRIC COMPANY UNLESS
32 THERE IS ELECTRICITY SUPPLY COMPETITION IN AT LEAST A PORTION OF THE
33 DISTRIBUTION SERVICE AREA OF THE ELECTRICITY SUPPLIER OR AFFILIATE.

34 7-516.

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

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

7 ~~7-516. 7-517.~~

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

10 ~~7-517. RESERVED.~~

11 7-518. RESERVED.

12 ~~**Article – Natural Resources**~~

13 ~~3-308.~~

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

20 **Article - Commercial Law**

21 9-104.

22 This title does not apply

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

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

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

34 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 35 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
14 imposed under subsection (a) of this section and place the revenue into a special fund,
15 the 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
29 exceed 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
31 amount the Commission requires each electric company to pay into the
32 Environmental Trust Fund 1.5% of the total surcharge amount attributed to the
33 electric company on the basis of the amount of the electricity [generated]
34 DISTRIBUTED in the State.

35 (e) The surcharge imposed under this subtitle shall terminate on June 30,
36 [2000] 2005.

1

Article - Natural Resources2 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
10 hour 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
13 is not collected from RETAIL ELECTRIC customers, the surcharge shall be deemed a
14 cost of [generation] DISTRIBUTION and shall be allowed and computed as such,
15 together with other allowable expenses, for rate-making purposes. Revenues from
16 the surcharge 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
20 the General Assembly, the Public Service Commission shall establish the amount of
21 the surcharge per kilowatt hour for the fiscal year beginning July 1, 1972, and for
22 each 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
39 Public Service Commission. The People's Counsel shall submit an annual budget of
40 necessary supplemental funds to the Department to be incorporated in the
41 Department's budget. For the purposes of this subtitle, the Secretary, in consultation
42 with the Director of the Maryland Energy Administration, may execute appropriate
43 contracts with any State or federal agency, research organization, industry, or

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

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

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

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

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

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

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
5 electric companies; and (2) the status of the Public Service Commission's
6 considerations regarding the functional, operational, structural, or legal separation
7 between electric companies' regulated businesses and their nonregulated businesses
8 or nonregulated affiliates.

9 SECTION ~~3~~ 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 ~~4~~ 8. AND BE IT FURTHER ENACTED, That Section 2 of this Act
16 shall take effect on the later of July 1, 2000, and the initial implementation date that
17 the Public Service Commission determines for investor-owned utilities under §
18 7-510(b)(1) of the Public Utility Companies Article, as enacted by this Act.

19 SECTION ~~5~~ 9. AND BE IT FURTHER ENACTED, That ~~Sections 1, 3, and 4 of,~~
20 except as provided in Sections 4 and 8 of this Act, this Act shall take effect July 1,
21 1999.