
By: **Delegates D. Davis, Guns, and Billings**
Introduced and read first time: February 11, 2000
Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Natural Gas Suppliers - Licensing and Consumer Protection**

3 FOR the purpose of requiring the Public Service Commission to license gas suppliers,
4 with certain protections; providing that the Commission has certain authority to
5 take certain actions with respect to gas suppliers; requiring the Commission to
6 adopt certain consumer protection provisions; providing that this Act does not
7 affect the authority of the Office of Consumer Protection in the Office of the
8 Attorney General to enforce certain provisions; providing that this Act does not
9 prevent the application of certain federal and State laws to certain persons;
10 providing that the People's Counsel has certain authority in certain proceedings;
11 requiring a gas supplier to provide certain access to certain records as the
12 Commission considers necessary; requiring the Commission to ensure that
13 certain requirements of this Act are met with respect to certain accepted or
14 approved restructuring plans or programs; making certain findings of the
15 General Assembly; providing that a gas supplier is a public service company for
16 certain purposes; defining certain terms; providing that certain contracts may
17 not be subject to this Act; and generally relating to natural gas supply,
18 regulation, and competition.

19 BY renumbering
20 Article - Public Utility Companies
21 Section 1-101(n) through (nn), respectively
22 to be Section 1-101(o) through (bb) and (dd) through (pp), respectively
23 Annotated Code of Maryland
24 (1998 Volume and 1999 Supplement)

25 BY repealing and reenacting, with amendments,
26 Article - Public Utility Companies
27 Section 1-101(b) and (c) and 2-110(a)
28 Annotated Code of Maryland
29 (1998 Volume and 1999 Supplement)

30 BY repealing and reenacting, with amendments,
31 Article - Public Utility Companies

1 Section 1-101(p)
2 Annotated Code of Maryland
3 (1998 Volume and 1999 Supplement)
4 (As enacted by Section 1 of this Act)

5 BY adding to
6 Article - Public Utility Companies
7 Section 1-101(n) and (cc)
8 Annotated Code of Maryland
9 (1998 Volume and 1999 Supplement)

10 BY adding to
11 Article - Public Utility Companies
12 Section 7-601 through 7-607 to be under the new subtitle "Subtitle 6. Natural
13 Gas Supplier Licensing and Consumer Protection"
14 Annotated Code of Maryland
15 (1998 Volume and 1999 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
17 MARYLAND, That Section(s) 1-101(n) through (nn), respectively, of Article - Public
18 Utility Companies of the Annotated Code of Maryland be renumbered to be Section(s)
19 1-101(o) through (bb) and (dd) through (pp), respectively.

20 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
21 read as follows:

22 **Article - Public Utility Companies**

23 1-101.

24 (b) (1) "Aggregator" means an entity or an individual that acts on behalf of a
25 customer to purchase electricity OR GAS.

26 (2) "Aggregator" does not include:

27 (i) an entity or individual that purchases electricity OR GAS for its
28 own use or for the use of its subsidiaries or affiliates;

29 (ii) a municipal electric utility OR A MUNICIPAL GAS UTILITY
30 serving only in its distribution territory; or

31 (iii) a combination of governmental units that purchases electricity
32 OR GAS for use by the governmental units.

33 (c) "Broker" means an entity or individual that acts as an agent or
34 intermediary in the sale and purchase of electricity OR GAS but does not take title to
35 electricity OR GAS.

1 (N) (1) "GAS SUPPLIER" MEANS A PERSON WHO:

2 (I) SELLS:

3 1. GAS;

4 2. GAS SUPPLY SERVICES; OR

5 3. COMPETITIVE BILLING SERVICES FOR GAS SUPPLY
6 SERVICES; OR

7 (II) PURCHASES, BROKERS, ARRANGES, OR MARKETS GAS OR GAS
8 SUPPLY SERVICES FOR SALE TO A RETAIL GAS CUSTOMER.

9 (2) "GAS SUPPLIER" INCLUDES AN AGGREGATOR, A BROKER, AND A
10 MARKETER OF GAS.

11 (3) "GAS SUPPLIER" DOES NOT INCLUDE:

12 (I) A GAS COMPANY TO THE EXTENT THAT THE GAS COMPANY
13 PROVIDES GAS SALES OR DELIVERY SERVICE AT RATES REGULATED BY THE
14 COMMISSION;

15 (II) THE FOLLOWING PERSONS WHO SUPPLY GAS SOLELY TO
16 OCCUPANTS OF A BUILDING FOR USE BY THE OCCUPANTS:

17 1. AN OWNER/OPERATOR WHO HOLDS OWNERSHIP IN AND
18 MANAGES THE INTERNAL DISTRIBUTION SYSTEM SERVING THE BUILDING;

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

22 (III) A PERSON WHO TRANSMITS OR DISTRIBUTES GAS WITHIN A
23 SITE OWNED BY THE PERSON OR THE PERSON'S AFFILIATE THAT IS INCIDENTAL TO A
24 PRIMARILY LANDLORD-TENANT RELATIONSHIP.

25 (p) "Marketer" means a person who purchases and takes title to electricity OR
26 GAS as an intermediary for sale to a customer.

27 (CC) (1) "RETAIL GAS CUSTOMER" MEANS A PURCHASER OF GAS FOR END
28 USE IN THE STATE.

29 (2) "RETAIL GAS CUSTOMER" EXCLUDES AN OCCUPANT OF A BUILDING
30 IN WHICH THE OWNER/OPERATOR OR LESSEE/OPERATOR MANAGES THE INTERNAL
31 DISTRIBUTION SYSTEM SERVING THE BUILDING AND SUPPLIES GAS AND GAS
32 SUPPLY SERVICES SOLELY TO OCCUPANTS OF THE BUILDING FOR USE BY THE
33 OCCUPANTS.

1 2-110.

2 (a) In this section, "public service company" includes an electricity supplier
3 AND A GAS SUPPLIER as THOSE TERMS ARE defined in § 1-101 of this article.

4 SUBTITLE 6. NATURAL GAS SUPPLIER LICENSING AND CONSUMER PROTECTION.

5 7-601.

6 IN THIS SUBTITLE, "CONSUMER" AND "CUSTOMER" EACH MEANS A RETAIL GAS
7 CUSTOMER.

8 7-602.

9 THE GENERAL ASSEMBLY FINDS AND DECLARES THAT THE PURPOSE OF THIS
10 SUBTITLE IS TO:

11 (1) CLARIFY EXISTING LAW REGARDING THE PROVISION OF
12 COMPETITIVE RETAIL GAS SUPPLY AND GAS SUPPLY SERVICES IN THE STATE;

13 (2) REQUIRE THE COMMISSION TO LICENSE GAS SUPPLIERS;

14 (3) AUTHORIZE THE COMMISSION TO ADOPT COMPLAINT PROCEDURES;

15 (4) ESTABLISH CERTAIN REQUIREMENTS RELATING TO THE
16 COMPETITIVENESS OF RETAIL GAS SUPPLY AND GAS SUPPLY SERVICES MARKETS;
17 AND

18 (5) ESTABLISH STANDARDS FOR THE PROTECTION OF CONSUMERS.

19 7-603.

20 (A) THE COMMISSION SHALL LICENSE GAS SUPPLIERS AND SHALL HAVE THE
21 SAME AUTHORITY AS THE COMMISSION HAS UNDER § 7-507 OF THIS TITLE FOR
22 ELECTRICITY SUPPLIERS, INCLUDING THE AUTHORITY TO:

23 (1) REVOKE OR SUSPEND A LICENSE;

24 (2) IMPOSE A MORATORIUM, CIVIL PENALTY, OR OTHER REMEDY; OR

25 (3) ORDER A REFUND FOR OR CREDIT TO A CUSTOMER.

26 (B) THE COMMISSION SHALL ADOPT LICENSING REQUIREMENTS AND
27 PROCEDURES FOR GAS SUPPLIERS THAT PROTECT CONSUMERS AND THE PUBLIC
28 INTEREST.

29 7-604.

30 (A) ON OR BEFORE JULY 1, 2001, THE COMMISSION SHALL ADOPT CONSUMER
31 PROTECTION ORDERS OR REGULATIONS FOR GAS SUPPLIERS THAT:

1 (1) PROTECT CONSUMERS FROM DISCRIMINATORY, UNFAIR, DECEPTIVE,
2 AND ANTICOMPETITIVE ACTS AND PRACTICES IN THE MARKETING, SELLING, OR
3 DISTRIBUTING OF NATURAL GAS;

4 (2) PROVIDE FOR CONTRACTING, ENROLLMENT, AND BILLING
5 PRACTICES AND PROCEDURES; AND

6 (3) THE COMMISSION CONSIDERS NECESSARY TO PROTECT THE
7 CONSUMER.

8 (B) IN ADOPTING ORDERS AND REGULATIONS UNDER THIS SECTION, UNLESS
9 THE COMMISSION DETERMINES THAT THE CIRCUMSTANCES DO NOT REQUIRE
10 CONSISTENCY, THE COMMISSION SHALL:

11 (1) PROVIDE CUSTOMERS WITH PROTECTIONS CONSISTENT WITH
12 APPLICABLE PROTECTIONS PROVIDED TO RETAIL ELECTRIC CUSTOMERS; AND

13 (2) IMPOSE APPROPRIATE REQUIREMENTS ON GAS SUPPLIERS THAT
14 ARE CONSISTENT WITH APPLICABLE REQUIREMENTS IMPOSED ON ELECTRICITY
15 SUPPLIERS.

16 7-605.

17 (A) THIS SUBTITLE MAY NOT BE CONSTRUED TO:

18 (1) AFFECT THE AUTHORITY OF THE DIVISION OF CONSUMER
19 PROTECTION OF THE OFFICE OF THE ATTORNEY GENERAL TO ENFORCE VIOLATIONS
20 OF TITLES 13 AND 14 OF THE COMMERCIAL LAW ARTICLE OR ANY OTHER APPLICABLE
21 STATE LAW OR REGULATION IN CONNECTION WITH THE ACTIVITIES OF GAS
22 SUPPLIERS; OR

23 (2) EXEMPT GAS COMPANIES AND GAS SUPPLIERS FROM OTHERWISE
24 APPLICABLE STATE OR FEDERAL CONSUMER PROTECTION AND ANTITRUST LAWS.

25 (B) THE COMMISSION SHALL CONSULT WITH THE CONSUMER PROTECTION
26 DIVISION OF THE OFFICE OF THE ATTORNEY GENERAL BEFORE ADOPTING
27 REGULATIONS DESIGNED TO PROTECT CONSUMERS OF GAS SUPPLY AND GAS
28 SUPPLY SERVICES.

29 (C) THE PEOPLE'S COUNSEL HAS THE SAME AUTHORITY IN LICENSING,
30 COMPLAINT, AND DISPUTE RESOLUTION PROCEEDINGS AS THE PEOPLE'S COUNSEL
31 HAS UNDER SUBTITLE 5 OF THIS TITLE AND TITLE 2 OF THIS ARTICLE.

32 (D) IN CONNECTION WITH A CONSUMER COMPLAINT OR COMMISSION
33 INVESTIGATION UNDER THIS SUBTITLE, A GAS SUPPLIER SHALL PROVIDE TO THE
34 COMMISSION ACCESS TO ANY ACCOUNTS, BOOKS, PAPERS, AND DOCUMENTS THAT
35 THE COMMISSION CONSIDERS NECESSARY TO RESOLVE A MATTER IN DISPUTE.

1 7-606.

2 THE COMMISSION MAY ADOPT REGULATIONS OR ADOPT ORDERS TO
3 IMPLEMENT THIS SUBTITLE THAT IT CONSIDERS NECESSARY AND IN THE PUBLIC
4 INTEREST.

5 7-607.

6 THIS SUBTITLE MAY BE REFERRED TO AS THE "NATURAL GAS SUPPLIER
7 LICENSING AND CONSUMER PROTECTION ACT OF 2000".

8 SECTION 3. AND BE IT FURTHER ENACTED, That gas suppliers doing
9 business in the State before the effective date of this Act shall be required to obtain a
10 license from the Commission under Title 7, Subtitle 6 of the Public Utility Companies
11 Article, as enacted by this Act, on or before July 1, 2001.

12 SECTION 4. AND BE IT FURTHER ENACTED, That contracts between gas
13 suppliers and customers entered into before the effective date of this Act are not
14 subject to orders or regulations adopted by the Commission under § 7-604 of the
15 Public Utility Companies Article, as enacted by this Act.

16 SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 July 1, 2000.