

SENATE BILL 581

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2000 Regular Session
0lr1600
CF 0lr2301

By: **Senator Frosh**

Introduced and read first time: February 4, 2000

Assigned to: Finance

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 A GAS COMPANY TO THE
12 EXTENT THAT THE GAS COMPANY PROVIDES GAS SALES OR DELIVERY SERVICE AT
13 RATES REGULATED BY THE COMMISSION.

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

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

18 (2) "RETAIL GAS CUSTOMER" EXCLUDES AN OCCUPANT OF A BUILDING
19 IN WHICH THE OWNER/OPERATOR OR LESSEE/OPERATOR MANAGES THE INTERNAL
20 DISTRIBUTION SYSTEM SERVING THE BUILDING AND SUPPLIES GAS AND GAS
21 SUPPLY SERVICES SOLELY TO OCCUPANTS OF THE BUILDING FOR USE BY THE
22 OCCUPANTS.

23 2-110.

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

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

27 7-601.

28 IN THIS SUBTITLE, "CONSUMER" AND "CUSTOMER" EACH MEANS A RETAIL GAS
29 CUSTOMER.

30 7-602.

31 THE GENERAL ASSEMBLY FINDS AND DECLARES THAT THE PURPOSE OF THIS
32 SUBTITLE IS TO:

- 1 (1) CLARIFY EXISTING LAW REGARDING THE PROVISION OF
2 COMPETITIVE RETAIL GAS SUPPLY AND GAS SUPPLY SERVICES IN THE STATE;
- 3 (2) REQUIRE THE COMMISSION TO LICENSE GAS SUPPLIERS;
- 4 (3) AUTHORIZE THE COMMISSION TO ADOPT COMPLAINT PROCEDURES;
- 5 (4) ESTABLISH CERTAIN REQUIREMENTS RELATING TO THE
6 COMPETITIVENESS OF RETAIL GAS SUPPLY AND GAS SUPPLY SERVICES MARKETS;
7 AND
- 8 (5) ESTABLISH STANDARDS FOR THE PROTECTION OF CONSUMERS.

9 7-603.

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

- 13 (1) REVOKE OR SUSPEND A LICENSE;
- 14 (2) IMPOSE A MORATORIUM, CIVIL PENALTY, OR OTHER REMEDY; OR
- 15 (3) ORDER A REFUND FOR OR CREDIT TO A CUSTOMER.

16 (B) THE COMMISSION SHALL ADOPT LICENSING REQUIREMENTS AND
17 PROCEDURES FOR GAS SUPPLIERS THAT PROTECT CONSUMERS AND THE PUBLIC
18 INTEREST.

19 7-604.

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

- 22 (1) PROTECT CONSUMERS FROM DISCRIMINATORY, UNFAIR, DECEPTIVE,
23 AND ANTICOMPETITIVE ACTS AND PRACTICES IN THE MARKETING, SELLING, OR
24 DISTRIBUTING OF NATURAL GAS;
- 25 (2) PROVIDE FOR CONTRACTING, ENROLLMENT, AND BILLING
26 PRACTICES AND PROCEDURES; AND
- 27 (3) THE COMMISSION CONSIDERS NECESSARY TO PROTECT THE
28 CONSUMER.

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

- 32 (1) PROVIDE CUSTOMERS WITH PROTECTIONS CONSISTENT WITH
33 APPLICABLE PROTECTIONS PROVIDED TO RETAIL ELECTRIC CUSTOMERS; AND

1 (2) IMPOSE APPROPRIATE REQUIREMENTS ON GAS SUPPLIERS
2 THAT ARE CONSISTENT WITH APPLICABLE REQUIREMENTS IMPOSED ON
3 ELECTRICITY SUPPLIERS.

4 7-605.

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

6 (1) AFFECT THE AUTHORITY OF THE DIVISION OF CONSUMER
7 PROTECTION OF THE OFFICE OF THE ATTORNEY GENERAL TO ENFORCE VIOLATIONS
8 OF TITLES 13 AND 14 OF THE COMMERCIAL LAW ARTICLE OR ANY OTHER APPLICABLE
9 STATE LAW OR REGULATION IN CONNECTION WITH THE ACTIVITIES OF GAS
10 SUPPLIERS; OR

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

13 (B) THE COMMISSION SHALL CONSULT WITH THE CONSUMER PROTECTION
14 DIVISION OF THE OFFICE OF THE ATTORNEY GENERAL BEFORE ADOPTING
15 REGULATIONS DESIGNED TO PROTECT CONSUMERS OF GAS SUPPLY AND GAS
16 SUPPLY SERVICES.

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

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

24 7-606.

25 THE COMMISSION MAY ADOPT REGULATIONS OR ADOPT ORDERS TO
26 IMPLEMENT THIS SUBTITLE THAT IT CONSIDERS NECESSARY AND IN THE PUBLIC
27 INTEREST.

28 7-607.

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

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

35 SECTION 4. AND BE IT FURTHER ENACTED, That contracts between gas
36 suppliers and customers entered into before the effective date of this Act are not

1 subject to orders or regulations adopted by the Commission under § 7-604 of the
2 Public Utility Companies Article, as enacted by this Act.

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