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By: **Delegate Stern**

Introduced and read first time: January 16, 2002

Assigned to: Environmental Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Public Service Commission and Office of the People's Counsel Fund**

3 FOR the purpose of establishing the Public Service Commission and Office of the  
4 People's Counsel Fund; requiring the Fund to be administered by the  
5 Commission; providing that the Fund is a nonlapsing fund; requiring the  
6 Treasurer to hold and the Comptroller to account for the Fund; providing that  
7 the Fund consist of assessments paid by public service companies; requiring the  
8 Treasurer to invest the Fund in the same manner as other State funds;  
9 requiring that investments earnings be retained to the credit of the Fund;  
10 requiring expenditures from the Fund be made in accordance with the State  
11 budget; authorizing the Fund to receive funds from any other source; requiring  
12 that moneys in the Fund be used to fund the Commission and the Office of the  
13 People's Counsel; repealing the requirement that costs and expenses of the  
14 Commission and Office of the People's Counsel be paid from the State Treasury;  
15 repealing the requirement that the State Treasury be reimbursed from the  
16 assessments paid by public service companies; requiring public service  
17 companies to make payment to the Public Service Commission and Office of the  
18 People's Counsel Fund; and generally relating to the Public Service Commission  
19 and Office of the People's Counsel Fund.

20 BY repealing and reenacting, with amendments,  
21 Article - Public Utility Companies  
22 Section 2-110  
23 Annotated Code of Maryland  
24 (1998 Volume and 2001 Supplement)

25 BY adding to  
26 Article - Public Utility Companies  
27 Section 2-110.1  
28 Annotated Code of Maryland  
29 (1998 Volume and 2001 Supplement)

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

**Article - Public Utility Companies**

1  
2 2-110.

3 (a) In this section, "public service company" includes an electricity supplier  
4 and a gas supplier as those terms are defined in § 1-101 of this article.

5 (b) (1) [(i) Subject to paragraphs (2) and (3) of this subsection, the] THE  
6 costs and expenses of the Commission and the Office of People's Counsel shall be  
7 borne by the public service companies that are subject to the Commission's  
8 jurisdiction.

9 [(ii)] (2) The costs and expenses shall be assessed as provided in  
10 this section.

11 [(2) An appropriation for the costs and expenses of the Commission and  
12 the Office of People's Counsel shall be included in the State budget and paid from the  
13 State Treasury.

14 (3) The State Treasury shall be reimbursed from the money collected  
15 under this section for the costs and expenses of the Commission and the Office of  
16 People's Counsel.]

17 (c) (1) (i) Before each State fiscal year, the Chairman of the Commission  
18 shall estimate the Commission's total costs and expenses, including:

19 1. the compensation and expenses of the Commission, its  
20 officers, agents, and personnel;

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

24 3. all other maintenance and operation expenses; and

25 4. all other direct and indirect costs.

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

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

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

32 (4) The bill shall equal the product of:

33 (i) the estimated total costs and expenses of the Commission  
34 during the next fiscal year; multiplied by

1 (ii) the ratio of the gross operating revenues for the public service  
2 company derived from intrastate utility and electricity supplier operations in the  
3 preceding calendar year, or other 12-month period as the Chairman determines, to  
4 the total of the gross operating revenues derived from intrastate utility and electricity  
5 supplier operations for all public service companies that are billed under this section  
6 over that period.

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

8 (6) The public service company:

9 (i) shall pay the bill on or before the next July 15th[;] or

10 [(ii)] may elect to make partial payments on the 15th days of July,  
11 October, January, and April; AND

12 (II) SHALL MAKE PAYMENT TO THE PUBLIC SERVICE COMMISSION  
13 AND OFFICE OF THE PEOPLE'S COUNSEL FUND ESTABLISHED UNDER § 2-110.1 OF  
14 THIS SUBTITLE.

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

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

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

21 (ii) The change shall be apportioned equally against the remaining  
22 payments for the fiscal year.

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

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

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

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

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

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

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

8 (d) (1) Within 30 days after the Commission issues a bill under subsection  
9 (c) of this section, the party billed may request a hearing as to the amount of the bill.

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

14 2-110.1.

15 (A) IN THIS SECTION, "FUND" MEANS THE PUBLIC SERVICE COMMISSION AND  
16 OFFICE OF THE PEOPLE'S COUNSEL FUND.

17 (B) THERE IS A PUBLIC SERVICE COMMISSION AND OFFICE OF THE PEOPLE'S  
18 COUNSEL FUND.

19 (C) THE COMMISSION SHALL ADMINISTER THE FUND.

20 (D) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT  
21 TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

22 (2) THE TREASURER SHALL HOLD THE FUND SEPARATELY AND THE  
23 COMPTROLLER SHALL ACCOUNT FOR THE FUND.

24 (E) THE FUND CONSISTS OF ASSESSMENTS MADE TO THE FUND IN  
25 ACCORDANCE WITH § 2-110 OF THIS SUBTITLE.

26 (F) (1) THE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE  
27 SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

28 (2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE RETAINED TO  
29 THE CREDIT OF THE FUND.

30 (G) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE  
31 WITH THE STATE BUDGET.

32 (H) THIS SECTION MAY NOT BE CONSTRUED TO PROHIBIT THE FUND FROM  
33 RECEIVING FUNDS FROM ANY OTHER SOURCE.

34 (I) THE FUND SHALL BE USED ONLY TO PROVIDE FUNDING FOR THE  
35 COMMISSION AND THE OFFICE OF THE PEOPLE'S COUNSEL AND FOR THE PURPOSES  
36 AUTHORIZED UNDER THIS ARTICLE.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
2 effect October 1, 2002.