

HOUSE BILL 135

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2002 Regular Session  
2r1221

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By: ~~Delegate Stern~~ **Delegates Stern, Franchot, and Hecht**

Introduced and read first time: January 16, 2002

Assigned to: Environmental Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 20, 2002

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CHAPTER\_\_\_\_\_

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 People's Counsel to estimate certain costs at a certain time; requiring the  
9 Treasurer to invest the Fund in the same manner as other State funds;  
10 requiring that investments earnings be retained to the credit of the Fund;  
11 requiring expenditures from the Fund be made in accordance with the State  
12 budget; authorizing the Fund to receive funds from any other source; requiring  
13 that moneys in the Fund be used to fund the Commission and the Office of the  
14 People's Counsel; repealing the requirement that costs and expenses of the  
15 Commission and Office of the People's Counsel be paid from the State Treasury;  
16 repealing the requirement that the State Treasury be reimbursed from the  
17 assessments paid by public service companies; requiring public service  
18 companies to make payment to the Public Service Commission and Office of the  
19 People's Counsel Fund; and generally relating to the Public Service Commission  
20 and Office of the People's Counsel Fund.

21 BY repealing and reenacting, with amendments,  
22 Article - Public Utility Companies  
23 Section 2-110  
24 Annotated Code of Maryland  
25 (1998 Volume and 2001 Supplement)

26 BY adding to

1 Article - Public Utility Companies  
2 Section 2-110.1  
3 Annotated Code of Maryland  
4 (1998 Volume and 2001 Supplement)

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

7 **Article - Public Utility Companies**

8 2-110.

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

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

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

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

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

23 (c) (1) (i) Before each State fiscal year, the Chairman of the Commission  
24 AND THE PEOPLE'S COUNSEL shall estimate the ~~Commission's~~ total costs and  
25 expenses OF THE COMMISSION AND THE OFFICE OF THE PEOPLE'S COUNSEL,  
26 including:

27 1. the compensation and expenses of the Commission, THE  
28 OFFICE OF THE PEOPLE'S COUNSEL, ~~its~~ AND THE officers, agents, and personnel OF  
29 THE COMMISSION AND THE OFFICE;

30 2. the cost of retirement contributions, Social Security,  
31 health insurance, and other benefits required to be paid by the State for the personnel  
32 of the Commission AND THE PEOPLE'S COUNSEL;

33 3. all other maintenance and operation expenses; and

34 4. all other direct and indirect costs.

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

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

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

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

6 (i) the estimated total costs and expenses of the Commission AND  
7 THE PEOPLE'S COUNSEL during the next fiscal year; multiplied by

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

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

15 (6) The public service company:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 2-110.1.

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

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

26 (C) THE COMMISSION SHALL ADMINISTER THE FUND.

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

29 (2) THE TREASURER SHALL HOLD THE FUND SEPARATELY AND THE  
30 COMPTROLLER SHALL ACCOUNT FOR THE FUND.

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

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

35 (2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE RETAINED TO  
36 THE CREDIT OF THE FUND.

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

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

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

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