

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE

Senate Bill 509
Finance

(Senator Collins)

Electric Companies - Separation of Regulated and Nonregulated Businesses

This bill requires the Public Service Commission (PSC) to require functional, operational, structural, and legal separation between an electric company's regulated businesses and its nonregulated businesses and affiliates by July 1, 2003.

Fiscal Summary

State Effect : The bill's changes could be handled with existing budgeted resources.

Local Effect: None.

Small Business Effect: Potential minimal.

Analysis

Bill Summary: The bill extends the date from July 1, 2000 to July 1, 2003 by which PSC must require an electric company to have functional, operational, structural, and legal separation between the electric company's regulated businesses and its nonregulated businesses and nonregulated affiliates.

In addition to the date being extended, the bill differs from current law in that it requires all forms of separation -- functional, operational, structural, and legal -- rather than any one form of separation between regulated and nonregulated businesses.

Current Law: In the transition from a wholly regulated to a restructured electric industry, PSC must provide for a transition that:

- is orderly;
- maintains system reliability;
- ensures compliance with State and federal environmental regulations;
- is fair to customers, electric company investors, customers of municipal electric utilities, electric companies, and electricity suppliers; and
- provides economic benefits to all customer classes.

PSC must require that by July 1, 2000 an electric company have functional, operational, structural, or legal separation between the electric company's regulated businesses and its nonregulated businesses and nonregulated affiliates.

Additional Information

Prior Introductions: None.

Cross File: HB 680 (Delegate Klausmeier) – Environmental Matters.

Information Source(s): Public Service Commission, Office of People's Counsel, Department of Legislative Services

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