
By: **Chairman, Economic Matters Committee (By Request - Departmental -
Public Service Commission)**

Introduced and read first time: January 29, 2003

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Public Service Commission - Expenses**

3 FOR the purpose of authorizing the Public Service Commission to retain, in the
4 Public Utility Regulation Fund, a certain annual assessment collected from
5 public utility companies; providing for the effective date of this Act; and
6 generally relating to annual assessments made by the Public Service
7 Commission.

8 BY repealing and reenacting, with amendments,
9 Article - Public Utility Companies
10 Section 2-110
11 Annotated Code of Maryland
12 (1998 Volume and 2002 Supplement)

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

15 **Article - Public Utility Companies**

16 2-110.

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

19 (b) (1) The costs and expenses of the Commission and the Office of People's
20 Counsel shall be borne by the public service companies that are subject to the
21 Commission's jurisdiction.

22 (2) The costs and expenses shall be assessed as provided in this section.

23 (3) The Commission shall pay the money that it collects for the
24 assessment under this section into the Public Utility Regulation Fund in the State
25 Treasury established under § 2-110.1 of this subtitle to reimburse the State for the
26 expenses of the Commission and the Office of People's Counsel.

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

3 1. the compensation and expenses of the Commission, its
4 officers, agents, and personnel;

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

8 3. all other maintenance and operation expenses of the
9 Commission; and

10 4. all other direct and indirect costs of the Commission.

11 (ii) The estimate shall exclude the expenses associated with
12 services performed by the Commission for which the Commission is reimbursed under
13 this article.

14 (iii) The estimate shall include, as provided by the Office of People's
15 Counsel:

16 1. the compensation and expenses of the Office of People's
17 Counsel, its officers, agents, and personnel;

18 2. the cost of retirement contributions, Social Security,
19 health insurance, and other benefits required to be paid by the State for the personnel
20 of the Office of People's Counsel;

21 3. all other maintenance and operation expenses of the Office
22 of People's Counsel; and

23 4. all other direct and indirect costs of the Office of People's
24 Counsel.

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

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

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

30 (i) the estimated total costs and expenses of the Commission and
31 the Office of People's Counsel during the next fiscal year; multiplied by

32 (ii) the ratio of the gross operating revenues for the public service
33 company derived from intrastate utility and electricity supplier operations in the
34 preceding calendar year, or other 12-month period as the Chairman determines, to
35 the total of the gross operating revenues derived from intrastate utility and electricity

1 supplier operations for all public service companies that are billed under this section
2 over that period.

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

4 (6) The public service company:

5 (i) shall pay the bill on or before the next July 15th; or

6 (ii) may elect to make partial payments on the 15th days of July,
7 October, January, and April.

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

10 (8) During any State fiscal year, the Chairman may change the estimate
11 of costs and expenses of the Commission and the estimate of costs and expenses of the
12 Office of People's Counsel, as changed by the People's Counsel.

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

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

17 (10) (i) On or before September 15th of each year, the Chairman shall
18 compute the actual costs and expenses of the Commission, and the actual costs and
19 expenses of the Office of People's Counsel, as provided by the People's Counsel for the
20 preceding fiscal year.

21 (ii) [After] IF THE AMOUNTS COLLECTED ARE LESS THAN THE
22 ACTUAL COSTS AND EXPENSES OF THE COMMISSION, AFTER deducting the amounts
23 recovered under §§ 2-111(a) and 2-123 of this subtitle, on or before October 15th, the
24 Chairman shall send to any public service company that is affected a statement that
25 shows the amount due [or the amount to the credit of the public service company].

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

28 [(ii)] An amount to the credit of a public service company shall be
29 applied against any succeeding payment due.]

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

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

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

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

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

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
10 effect June 30, 2003.