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

Introduced and read first time: January 29, 2003

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 5, 2003

CHAPTER _____

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; requiring the Commission to deduct certain retained
6 funds from a certain appropriation for a certain fiscal year; providing for the
7 effective date of this Act; and generally relating to annual assessments made by
8 the Public Service Commission.

9 BY repealing and reenacting, with amendments,
10 Article - Public Utility Companies
11 Section 2-110
12 Annotated Code of Maryland
13 (1998 Volume and 2002 Supplement)

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

16 **Article - Public Utility Companies**

17 2-110.

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

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

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

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

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

11 1. the compensation and expenses of the Commission, its
12 officers, agents, and personnel;

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

16 3. all other maintenance and operation expenses of the
17 Commission; and

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

19 (ii) The estimate shall exclude the expenses associated with
20 services performed by the Commission for which the Commission is reimbursed under
21 this article.

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

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

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

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

31 4. all other direct and indirect costs of the Office of People's
32 Counsel.

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

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

- 1 (4) The bill shall equal the product of:
- 2 (i) the estimated total costs and expenses of the Commission and
3 the Office of People's Counsel during the next fiscal year; multiplied by
- 4 (ii) the ratio of the gross operating revenues for the public service
5 company derived from intrastate utility and electricity supplier operations in the
6 preceding calendar year, or other 12-month period as the Chairman determines, to
7 the total of the gross operating revenues derived from intrastate utility and electricity
8 supplier operations for all public service companies that are billed under this section
9 over that period.
- 10 (5) The minimum bill for a public service company shall be \$10.
- 11 (6) The public service company:
- 12 (i) shall pay the bill on or before the next July 15th; or
- 13 (ii) may elect to make partial payments on the 15th days of July,
14 October, January, and April.
- 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 and the estimate of costs and expenses of the
19 Office of People's Counsel, as changed by the People's Counsel.
- 20 (9) (i) If the estimate is changed, the Commission shall send a revised
21 bill to each public service company that has elected to make partial payments.
- 22 (ii) The change shall be apportioned equally against the remaining
23 payments for the fiscal year.
- 24 (10) (i) On or before September 15th of each year, the Chairman shall
25 compute the actual costs and expenses of the Commission, and the actual costs and
26 expenses of the Office of People's Counsel, as provided by the People's Counsel for the
27 preceding fiscal year.
- 28 (ii) [After] IF THE AMOUNTS COLLECTED ARE LESS THAN THE
29 ACTUAL COSTS AND EXPENSES OF THE COMMISSION AND THE OFFICE OF THE
30 PEOPLE'S COUNSEL, AFTER deducting the amounts recovered under §§ 2-111(a) and
31 2-123 of this subtitle, on or before October 15th, the Chairman shall send to any
32 public service company that is affected a statement that shows the amount due [or
33 the amount to the credit of the public service company].
- 34 (III) IF THE AMOUNTS COLLECTED EXCEED THE ACTUAL COSTS
35 AND EXPENSES OF THE COMMISSION AND THE OFFICE OF THE PEOPLE'S COUNSEL
36 FOR THE PRECEDING FISCAL YEAR, THE COMMISSION SHALL DEDUCT ANY EXCESS
37 RETAINED FUNDS FROM THE APPROPRIATION FOR THE NEXT FISCAL YEAR BEFORE

1 THE COMMISSION DETERMINES THE AMOUNT TO BE PAID BY EACH PUBLIC SERVICE
2 COMPANY FOR THE NEXT FISCAL YEAR UNDER PARAGRAPH (2) OF THIS SUBSECTION.

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

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

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

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

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

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

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

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