

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE
Revised

House Bill 391

(Delegate Edwards)

Economic Matters

Finance

Small Rural Electric Cooperatives - Reporting, Compliance, and Exemption

This bill authorizes specified small rural electric cooperatives to meet specified reporting requirements of the Public Service Commission (PSC) by providing alternative reports. The bill exempts the cooperatives from formulating and implementing long-range plans to provide regulated service. The bill also provides that the cooperatives may satisfy the requirement to have their billing meters tested and approved by PSC by demonstrating that the meters comply with the standards of the utility regulatory body of the state in which the cooperative has its principal place of business.

The bill is effective July 1, 2003.

Fiscal Summary

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

Local Effect: None.

Small Business Effect: The bill would have a positive impact on small rural electric cooperatives by allowing them to submit alternate reports to PSC.

Analysis

Bill Summary: The bill allows rural electric cooperatives to submit estimates in accordance with a formula approved by PSC from information that the cooperatives submit to the Rural Utilities Services in the federal Department of Agriculture in lieu of the specific reports required by PSC for the following: (1) gross operating revenue; (2)

annual reports on corporate structure, affiliations of its officers and directors, and debt holdings; (3) information needed for PSC to complete its ten-year plan listing possible and proposed sites for the construction of electric plants; and (4) estimated kilowatt hours of electricity distributed in the State.

Current Law: A small rural electric cooperative is defined as: having less than 10% of its distribution territory in Maryland; maintains its principal place of business outside the State; and is subject to, and conducts its operations within the State in compliance with, the laws of the state in which its principal place of business is located.

Small rural electric cooperatives are required to provide the reports noted above in a format required by PSC. They are also required to provide PSC with long-range service plans and have their billing meters tested and approved by PSC.

Background: Currently there are only two small rural electric cooperatives that would meet the criteria of this bill, Somerset Electric and A&N Electric.

Additional Information

Prior Introductions: None.

Cross File: SB 547 (Senator Stoltzfus) – Finance.

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

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