

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE
Revised

House Bill 198 (Chairman, Economic Matters Committee)
(By Request – Departmental – Public Service Commission)

Economic Matters

Finance

Public Service Commission - Expenses

This departmental bill allows the Public Service Commission (PSC) to retain unexpended funds at the end of a fiscal year in the Public Utility Regulation Fund (PURF). PSC must deduct any excess retained funds from the appropriation for the next fiscal year before determining the annual assessment to be paid by each public service company.

The bill is effective June 30, 2003.

Fiscal Summary

State Effect: None. The change is procedural in nature and would not directly affect governmental finances.

Local Effect: None.

Small Business Effect: PSC has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Current Law: Each fiscal year, PSC must prepare an estimate of costs and expenses, then determine the amount to be billed to each public service company. Companies must pay their billed amounts before the following July 15, and may elect to pay in 25% increments. On or before September 15, PSC must determine the actual costs and expenses. PSC must then, by October 15, send to the public service companies a statement showing any amount due on any amount to the credit of the company. PSC's

practice is to send a check with the statement to the public service companies for any excess collections.

Background: Chapter 494 of 2002 changed PSC from a general funded agency to a special funded agency. The change established PURF as the holding account for funds collected to pay for all operational expenses of PSC and the Office of People's Council (OPC). All funds paid into PURF were specified and expenses are those authorized under law and the State budget. Expenditures from the fund to cover PSC or OPC costs must be either appropriated by the General Assembly or by budget amendment.

Below is the most recent five-year summary of PSC's revenues, expenditures, and over/(under) collections.

Fiscal Year	2002	2001	2000	1999	1998
Revenues	\$12,886,007	\$12,382,484	\$11,875,359	\$11,324,246	\$10,839,569
Expenditures	12,961,383	12,268,271	11,433,164	11,045,412	10,508,145
Over/(Under) Collection	(\$75,376)	\$114,213	\$442,195	\$278,834	\$331,424

Note that the expenditures include the operations of PSC, OPC, and the Railroad Safety Inspection Program, all of which are reimbursed by the public utilities via the annual assessment.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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