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By: **Delegates Doory, Anderson, Branch, Bromwell, Burns, Cardin, Conroy, Conway, Franchot, Goldwater, Hammen, Harrison, Haynes, Healey, Hixson, Howard, Jones, Kirk, Krysiak, Love, Malone, Marriott, McHale, McIntosh, Menes, Moe, Morhaim, Nathan-Pulliam, Paige, Patterson, Pendergrass, Pugh, Rosenberg, and Zirkin**

Introduced and read first time: March 1, 2006  
Assigned to: Rules and Executive Nominations

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A BILL ENTITLED

1 AN ACT concerning

2 **Commission to Study the Proposed Merger of FPL Group, Inc. and**  
3 **Constellation Energy Group, Inc. and Rate Cap Extension**

4 FOR the purpose of establishing a Commission to Study the Proposed Merger of FPL  
5 Group, Inc. and Constellation Energy Group, Inc.; providing for the  
6 membership, duties, and staffing of the Commission; authorizing the  
7 Commission to request the assistance and participation of the Public Service  
8 Commission, the Office of People's Counsel, and the Office of the Attorney  
9 General; requiring the Commission to report to the Governor and the General  
10 Assembly on or before a certain date; prohibiting the members of the  
11 Commission from receiving certain compensation, but authorizing the  
12 reimbursement of certain expenses; providing that a certain rate cap shall  
13 remain in effect until a certain date; providing for the termination of this Act;  
14 and generally relating to the Commission to Study the Proposed Merger of FPL  
15 Group, Inc. and Constellation Energy Group, Inc. and a rate cap extension.

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
17 MARYLAND, That:

18 (a) There is a Commission to Study the Proposed Merger of FPL Group, Inc.  
19 and Constellation Energy Group, Inc.

20 (b) The Commission consists of the following members:

21 (1) five members of the Senate of Maryland, appointed by the President  
22 of the Senate;

23 (2) five members of the House of Delegates, appointed by the Speaker of  
24 the House;

25 (3) the following members appointed by the President of the Senate:

1 (i) one representative from the business or investment  
2 communities, with experience in mergers and acquisitions;

3 (ii) one representative from the electric industry; and

4 (iii) one electricity consumer who resides in the Baltimore Gas &  
5 Electric service territory; and

6 (4) the following members appointed by the Speaker of the House of  
7 Delegates:

8 (i) one representative from the business or investment  
9 communities, with experience in mergers and acquisitions;

10 (ii) one representative from the electric industry; and

11 (iii) one electricity consumer who resides in the Baltimore Gas &  
12 Electric service territory.

13 (c) The President of the Senate shall designate the chair of the Commission.

14 (d) The Office of the Attorney General shall provide staff for the Commission.

15 (e) A member of the Commission:

16 (1) may not receive compensation as a member of the Commission; but

17 (2) is entitled to reimbursement for expenses under the Standard State  
18 Travel Regulations, as provided in the State budget.

19 (f) The Commission shall:

20 (1) collect and review the following information:

21 (i) financial information, including the portfolios, of both FPL  
22 Group, Inc. and Constellation Energy Group, Inc.;

23 (ii) the background of the key personnel associated with the  
24 merger;

25 (iii) the source and amount of funds or other consideration to be  
26 used in the merger;

27 (iv) the compliance of FPL Group, Inc. and Constellation Energy  
28 Group, Inc. with state and federal law in carrying out the merger;

29 (v) whether FPL Group, Inc. and Constellation Energy Group, Inc.  
30 or the key personnel associated with the parties have violated any state or federal  
31 statutes regulating the activities of public utilities;

32 (vi) all documents relating to the merger;

1 (vii) how FPL Group, Inc. and Constellation Energy Group, Inc. plan  
2 to operate after the merger;

3 (viii) how the merger will serve electricity customers in the public  
4 interest; and

5 (ix) any other information that the Commission considers  
6 necessary; and

7 (2) study the likelihood and impact of cross-subsidization between:

8 (i) the regulated and unregulated businesses; and

9 (ii) the respective utility service territories in Florida and  
10 Maryland, especially whether ratepayers will have to help pay for upgrades, repair  
11 from storm damage, or other repairs that occur outside their service territory.

12 (g) The Commission may request the assistance and participation of the  
13 Public Service Commission, the Office of People's Counsel, and the Office of the  
14 Attorney General.

15 (h) On or before December 31, 2006, the Commission shall report its findings  
16 to the Governor and, in accordance with § 2-1246 of the State Government Article,  
17 the General Assembly.

18 SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any law  
19 or settlement agreement, any rate cap that is in effect for an electric company on  
20 January 1, 2006, shall remain in effect until the later of July 1, 2007, or when the rate  
21 cap is set to expire under an existing settlement agreement.

22 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
23 June 1, 2006. It shall remain effective for a period of 2 years and, at the end of May  
24 31, 2008, with no further action required by the General Assembly, this Act shall be  
25 abrogated and of no further force and effect.