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By: **Delegates McMillan, Cluster, Conroy, Hubbard, Impallaria, and  
McDonough**

Rules suspended

Introduced and read first time: March 16, 2006

Assigned to: Rules and Executive Nominations

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A BILL ENTITLED

1 AN ACT concerning

2 **Public Service Companies - Electric Companies and Electricity Suppliers -**  
3 **Regulation - Consumer Protection Act of 2006**

4 FOR the purpose of returning electric generation to the status of a utility service  
5 subject to regulation by the Public Service Commission; requiring a public  
6 service company to charge just and reasonable rates for its utility services;  
7 requiring a public service company to file a certain tariff schedule of certain  
8 rates and charges with the Commission; providing that a certain electric  
9 company or electricity supplier may apply to the Commission to adjust certain  
10 rates and charges; establishing certain procedures for the Commission to review,  
11 investigate, and adjust certain rates and charges in a certain manner;  
12 authorizing a certain electric company or electricity supplier to have a  
13 separately stated and zero-based fuel rate to charge for a certain cost of fuel;  
14 requiring the Commission to authorize a certain fuel rate adjustment only if  
15 certain circumstances are met; requiring a certain electric company or  
16 electricity supplier to file an application with the Commission to reduce a  
17 certain fuel rate under certain circumstances; authorizing an electric company  
18 or electricity supplier to defer certain costs as an operating expense and recover  
19 the costs in a base rate proceeding if certain circumstances are met; requiring  
20 the Commission to make certain findings and conclusions based on a certain  
21 determination in a certain investigation; authorizing the Commission to  
22 disallow certain increased costs under certain circumstances; requiring a certain  
23 applicant for a fuel rate adjustment to file certain proposed initial direct  
24 testimony and exhibits with a certain application; requiring the Commission to  
25 conduct, or direct another person to conduct, a certain annual audit of certain  
26 fuel procurement and purchasing practices of certain electric companies and  
27 electricity suppliers under certain circumstances; authorizing the Department  
28 of Legislative Services to conduct a certain audit and study of fuel procurement  
29 and purchasing practices and examine a certain audit under certain  
30 circumstances; requiring the Commission, in cooperation with the Secretary of  
31 Natural Resources, to assemble and evaluate annually certain long-range plans  
32 of certain electric companies regarding generating needs and the means to meet  
33 those needs; requiring the Commission to take final action on an application for

1 a certificate of public convenience and necessity only after due consideration of  
2 the need to meet existing and future demand for electric service; repealing a  
3 provision that required the Commission to require functional, operational,  
4 structural, or legal separation between a certain electric company's regulated  
5 businesses and its nonregulated businesses or affiliates; repealing certain  
6 provisions relating to the capping of certain rates of an electric company by the  
7 Commission for a certain time period after the implementation of customer  
8 choice in certain territories; repealing certain provisions that authorized the  
9 Commission to approve a certain rate cap for a different time period under a  
10 certain settlement; repealing a provision that states that after a certain date,  
11 the generation, supply, and sale of electricity may not be regulated except under  
12 certain circumstances; repealing provisions that relate to the phased  
13 implementation of customer choice for electricity service; repealing provisions  
14 that relate to the requirement of an electric company to offer standard offer  
15 service electricity supply; repealing a provision that prohibits certain electricity  
16 suppliers from providing retail electricity supply service in the distribution  
17 territory of an unaffiliated electric company under certain circumstances;  
18 repealing certain provisions that relate to the recovery of certain costs by an  
19 electric company; authorizing an electric company to acquire or build a  
20 generating station in accordance with this Act; providing that an electric  
21 company may not pass on to ratepayers the cost of reacquiring certain electric  
22 generation assets; altering a certain definition; repealing certain obsolete  
23 provisions; providing that existing obligations or contract rights may not be  
24 impaired by this Act; making the provisions of this Act severable; providing for  
25 the effective dates of this Act; and generally relating to the regulation of electric  
26 companies and electricity suppliers.

27 BY repealing and reenacting, without amendments,  
28 Article - Public Utility Companies  
29 Section 1-101(a)  
30 Annotated Code of Maryland  
31 (1998 Volume and 2005 Supplement)

32 BY repealing and reenacting, with amendments,  
33 Article - Public Utility Companies  
34 Section 1-101(h), 4-201, 4-202, 4-402, 7-201, 7-207, 7-504, 7-505, 7-507, and  
35 7-512.1(b)  
36 Annotated Code of Maryland  
37 (1998 Volume and 2005 Supplement)

38 BY adding to  
39 Article - Public Utility Companies  
40 Section 4-403  
41 Annotated Code of Maryland  
42 (1998 Volume and 2005 Supplement)

1 BY repealing  
2 Article - Public Utility Companies  
3 Section 7-509, 7-510, 7-512, 7-513, and 7-515  
4 Annotated Code of Maryland  
5 (1998 Volume and 2005 Supplement)

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

8 **Article - Public Utility Companies**

9 1-101.

10 (a) In this article the following words have the meanings indicated.

11 (h) (1) "Electric company" [means a person who physically transmits or  
12 distributes electricity in the State to a retail electric customer] MEANS A PUBLIC  
13 SERVICE COMPANY THAT:

14 (I) OWNS AN ELECTRIC PLANT AND TRANSMITS, SELLS, OR  
15 DISTRIBUTES ELECTRICITY;

16 (II) GENERATES ELECTRICITY FOR DISTRIBUTION OR SALE; OR

17 (III) IS AUTHORIZED TO INSTALL OR MAINTAIN FACILITIES IN,  
18 OVER, OR UNDER STREETS FOR FURNISHING OR DISTRIBUTING ELECTRICITY.

19 (2) "ELECTRIC COMPANY" INCLUDES A MUNICIPAL CORPORATION THAT  
20 IS IN THE BUSINESS OF SUPPLYING ELECTRICITY FOR OTHER THAN MUNICIPAL  
21 PURPOSES.

22 [(2)] (3) "Electric company" does not include[:

23 (i) the following persons who supply electricity and electricity  
24 supply services solely to occupants of a building for use by the occupants:

25 1. an owner/operator who holds ownership in and manages  
26 the internal distribution system serving the building; or

27 2. a lessee/operator who holds a leasehold interest in and  
28 manages the internal distribution system serving the building;

29 (ii) any person who generates on-site generated electricity; or

30 (iii) a person who transmits or distributes electricity within a site  
31 owned by the person or the person's affiliate that is incidental to a primarily  
32 landlord-tenant relationship] A COMPANY THAT GENERATES OR TRANSMITS  
33 ELECTRICITY EXCLUSIVELY FOR ITS OWN USE.

1 4-201.

2 In accordance with the provisions of this article, a public service company shall  
3 charge just and reasonable rates for the [regulated] UTILITY services that it renders.

4 4-202.

5 (a) A public service company shall file with the Commission a tariff schedule  
6 of its rates and charges [for its regulated services and for standard offer service as  
7 provided in § 7-505(b)(8) of this article].

8 (b) As ordered by the Commission, a public service company shall:

9 (1) plainly print the tariff schedule of its rates and charges [for its  
10 regulated services];

11 (2) make available the tariff schedules for public inspection; and

12 (3) post the tariff schedules to make the tariff schedules readily  
13 accessible to and convenient for inspection by the public.

14 4-402.

15 (a) (1) This section applies to:

16 (i) THE electric fuel rate adjustment [clauses] CLAUSE OF EACH  
17 ELECTRIC COMPANY THAT IS NOT SUBJECT TO § 4-403 OF THIS SUBTITLE;

18 (ii) purchased power adjustment clauses; and

19 (iii) purchased gas adjustment clauses.

20 (2) This section does not apply to a small rural electric cooperative.

21 (b) A gas company or electric company that directly passes on to its customers  
22 changes in fuel costs, costs of purchased power, or costs of purchased gas shall verify  
23 and justify the adjusted costs to the Commission each month.

24 (c) The Commission shall order a company to charge off and amortize, by  
25 means of a temporary decrease of rates, any charge the Commission finds is  
26 unjustified because:

27 (1) the company failed to show that the charges were based solely on  
28 increased costs of fuel, purchased power, or purchased gas;

29 (2) the company failed to follow competitive practices in procuring and  
30 purchasing fuel, power, or gas; or

31 (3) the company failed to show that its practices in procuring and  
32 purchasing fuel were reasonable.

1 (d) At least once every 12 months, the Commission shall conduct a public  
2 evidentiary hearing on any changes in costs that a company directly passes on to its  
3 customers under this section.

4 4-403.

5 (A) THIS SECTION APPLIES ONLY TO:

6 (1) AN ELECTRIC COMPANY THAT PRODUCES OR GENERATES POWER  
7 WITH GROSS ANNUAL REVENUES THAT EXCEED \$25,000,000; AND

8 (2) AN ELECTRICITY SUPPLIER.

9 (B) AS PART OF ITS RATES TO ALL CUSTOMERS, AN ELECTRIC COMPANY AND  
10 ELECTRICITY SUPPLIER MAY HAVE A SEPARATELY STATED AND ZERO-BASED FUEL  
11 RATE TO CHARGE FOR THE ACTUAL COST OF FUEL THAT IS COMPUTED ON A  
12 KILOWATT-HOUR BASIS.

13 (C) (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, ON  
14 APPLICATION TO THE COMMISSION BY AN ELECTRIC COMPANY OR ELECTRICITY  
15 SUPPLIER SUBJECT TO THIS SECTION TO ADJUST RATES AND CHARGES BASED  
16 SOLELY ON THE ACTUAL COST OF FUEL PER KILOWATT HOUR SOLD, THE  
17 COMMISSION MAY SUSPEND THE PROPOSED ADJUSTMENT FOR A PERIOD NOT  
18 EXCEEDING 30 DAYS AFTER THE DAY THE APPLICATION IS FILED.

19 (2) THE COMMISSION SHALL:

20 (I) PROMPTLY INVESTIGATE AN APPLICATION FILED UNDER THIS  
21 SUBSECTION; AND

22 (II) INSTITUTE EVIDENTIARY HEARINGS UNDER § 4-402(D) OF THIS  
23 SUBTITLE TO CONSIDER THE APPLICATION WITHIN 30 DAYS AFTER THE DAY THE  
24 APPLICATION IS FILED.

25 (3) THE COMMISSION SHALL BASE ITS ORDER ON THE RECORD  
26 DEVELOPED AT THE HEARING.

27 (4) THE COMMISSION SHALL ISSUE ITS FINAL ORDER PROMPTLY BUT  
28 NO LATER THAN 120 DAYS AFTER THE DAY THE APPLICATION IS FILED.

29 (5) IF A SUSPENSION PERIOD UNDER THIS SUBSECTION ENDS BEFORE  
30 THE COMMISSION ISSUES A FINAL ORDER, THE ORDER SHALL PROVIDE FOR A  
31 REFUND OF THE DIFFERENCE BETWEEN THE RATE CHARGED AND THE RATE SET BY  
32 THE FINAL ORDER.

33 (D) (1) THE COMMISSION MAY AUTHORIZE AN ELECTRIC COMPANY OR  
34 ELECTRICITY SUPPLIER TO ADJUST ITS FUEL RATE UNDER THIS SECTION ONLY IF  
35 THE CURRENTLY CALCULATED ACTUAL FUEL RATE OR THE ELECTRIC COMPANY OR  
36 ELECTRICITY SUPPLIER IS MORE THAN 5% ABOVE OR BELOW THE SUM OF THE  
37 COMPONENTS OF THE FUEL RATE THEN IN EFFECT.

1           (2)     AN ELECTRIC COMPANY OR ELECTRICITY SUPPLIER THAT HAS A  
2 DECREASE OF MORE THAN 5% IN ITS FUEL RATE PROMPTLY SHALL FILE AN  
3 APPLICATION WITH THE COMMISSION TO REDUCE THE FUEL RATE.

4           (3)     TO THE EXTENT THAT AN ELECTRIC COMPANY OR ELECTRICITY  
5 SUPPLIER DOES NOT RECOVER ITS ACTUAL ACCUMULATED FUEL COSTS UNDER THIS  
6 SECTION, THE ELECTRIC COMPANY OR ELECTRICITY SUPPLIER MAY DEFER THE  
7 COSTS AS AN OPERATING EXPENSE AND RECOVER THE COSTS IN A BASE RATE  
8 PROCEEDING IF:

9           (I)     THE COMMISSION FINDS THAT THE COSTS WERE JUSTIFIED;  
10 AND

11           (II)    RECOVERY OF THE COSTS IS CONSISTENT WITH THE RATE  
12 PROVISIONS OF THIS TITLE.

13       (E)     IN ITS INVESTIGATION OF AN APPLICATION FOR A FUEL RATE  
14 ADJUSTMENT UNDER THIS SECTION, THE COMMISSION SHALL MAKE SPECIFIC  
15 FINDINGS OF FACT AND CONCLUSIONS BASED ON A DETERMINATION OF WHETHER  
16 THE APPLICANT HAS:

17           (1)     INCLUDED ONLY CHANGES IN THE ACTUAL COSTS OF THE  
18 COMPONENTS OF THE FUEL RATE IN THE PROPOSED CHANGE;

19           (2)     USED THE MOST ECONOMICAL MIX OF ALL TYPES OF GENERATION  
20 AND PURCHASES;

21           (3)     MADE EVERY REASONABLE EFFORT TO MINIMIZE FUEL COSTS AND  
22 FOLLOWED COMPETITIVE PROCUREMENT PRACTICES, CONSIDERING THE  
23 RELIABILITY OF LOCAL TRANSPORTATION; AND

24           (4)     FOR AN ELECTRIC COMPANY, MAINTAINED THE PRODUCTIVE  
25 CAPACITY OF ALL ITS GENERATING PLANTS AT A REASONABLE LEVEL.

26       (F)     UNLESS CAUSE TO THE CONTRARY IS SHOWN, THE COMMISSION MAY  
27 DISALLOW ANY INCREASED COST THAT IT FINDS IS A RESULT OF THE APPLICANT'S  
28 FAILURE TO COMPLY WITH THE REQUIREMENTS OF THIS SECTION.

29       (G)     AN APPLICANT FOR A FUEL RATE ADJUSTMENT SHALL FILE ITS  
30 PROPOSED INITIAL DIRECT TESTIMONY AND EXHIBITS WITH THE APPLICATION.

31       (H)     (1)     THE COMMISSION SHALL CONDUCT, OR DIRECT ANOTHER PERSON  
32 TO CONDUCT, AN ANNUAL AUDIT OF THE FUEL PROCUREMENT AND PURCHASING  
33 PRACTICES OF EACH ELECTRIC COMPANY AND ELECTRICITY SUPPLIER SUBJECT TO  
34 THIS SECTION.

35           (2)     THE DEPARTMENT OF LEGISLATIVE SERVICES MAY:

1 (I) CONDUCT AN AUDIT AND STUDY OF THE FUEL PROCUREMENT  
2 AND PURCHASING PRACTICES OF AN ELECTRIC COMPANY OR ELECTRICITY  
3 SUPPLIER; AND

4 (II) EXAMINE AN AUDIT ISSUED BY OR GENERATED AT THE  
5 DIRECTION OF THE COMMISSION UNDER THIS SUBSECTION.

6 7-201.

7 (a) IN COOPERATION WITH THE SECRETARY OF NATURAL RESOURCES AS  
8 PROVIDED UNDER § 3-304 OF THE NATURAL RESOURCES ARTICLE, THE COMMISSION  
9 SHALL ASSEMBLE AND EVALUATE EACH YEAR THE LONG-RANGE PLANS OF THE  
10 STATE'S ELECTRIC COMPANIES REGARDING GENERATING NEEDS AND THE MEANS  
11 TO MEET THOSE NEEDS.

12 (B) (1) Annually, the Chairman of the Commission shall forward to the  
13 Secretary of Natural Resources a 10-year plan listing possible and proposed sites,  
14 including the associated transmission routes, for the construction of electric plants  
15 within the State.

16 (2) (i) The Chairman shall delete from the 10-year plan any site that  
17 the Secretary of Natural Resources identifies as unsuitable in accordance with the  
18 requirements of § 3-304 of the Natural Resources Article.

19 (ii) The Chairman may include a site deleted from a 10-year plan  
20 under subparagraph (i) of this paragraph in a subsequent 10-year plan.

21 (3) The Chairman shall include information in the annual 10-year plan  
22 on current and projected efforts by electric companies and the Commission to  
23 moderate overall electrical generation demand and peak demand through the electric  
24 companies' promotion of energy conservation by customers and through the electric  
25 companies' use of alternative energy sources, including cogeneration.

26 (4) To the extent that the Commission requires an electric company to  
27 report the information described in paragraph (3) of this subsection, a small rural  
28 electric cooperative described in § 7-502(a) of this title may satisfy the requirement  
29 by submitting to the Commission a copy of the power requirement study that the  
30 small rural electric cooperative submits to the rural utilities service.

31 [(b)] (C) (1) The Commission shall evaluate the cost-effectiveness of the  
32 investments by electric companies in energy conservation to reduce electrical demand  
33 and in renewable energy sources to help meet electrical demand.

34 (2) The evaluation of investments shall include:

35 (i) the electric companies' promotion and conduct of a building  
36 audit and weatherization program, including low-interest or no-interest electric  
37 company financing for the installation of energy conservation materials and  
38 renewable energy devices;

- 1 (ii) utilization of renewable energy sources;
- 2 (iii) promotion and utilization of electricity from cogeneration and  
3 wastes; and
- 4 (iv) widespread public promotion of energy conservation programs.
- 5 7-207.

6 (a) (1) In this section and § 7-208 of this subtitle, "construction" means:

- 7 (i) any physical change at a site, including fabrication, erection,  
8 installation, or demolition; or
- 9 (ii) the entry into a binding agreement or contractual obligation to  
10 purchase equipment exclusively for use in construction in the State or to undertake a  
11 program of actual construction in the State which cannot be canceled or modified  
12 without substantial loss to the owner or operator of the proposed generating station.

13 (2) "Construction" does not include a change that is needed for the  
14 temporary use of a site or route for nonutility purposes or for use in securing  
15 geological data, including any boring that is necessary to ascertain foundation  
16 conditions.

17 (b) (1) (i) Unless a certificate of public convenience and necessity for the  
18 construction is first obtained from the Commission, a person may not begin  
19 construction in the State of a generating station.

20 (ii) If a person obtains Commission approval for construction under  
21 § 7-207.1 of this subtitle, the Commission shall exempt a person from the  
22 requirement to obtain a certificate of public convenience and necessity under this  
23 section.

24 (2) Unless a certificate of public convenience and necessity for the  
25 construction is first obtained from the Commission, and the Commission has found  
26 that the capacity is necessary to ensure a sufficient supply of electricity to customers  
27 in the State, a person may not exercise a right of condemnation in connection with the  
28 construction of a generating station.

29 (3) Unless a certificate of public convenience and necessity for the  
30 construction is first obtained from the Commission, an electric company may not  
31 begin construction of an overhead transmission line that is designed to carry a voltage  
32 in excess of 69,000 volts or exercise a right of condemnation with the construction.

33 (c) (1) On receipt of an application for a certificate of public convenience and  
34 necessity under this section, the Commission shall provide notice to the Department  
35 of Planning and to all other interested persons.

36 (2) The Department of Planning shall forward the application to each  
37 appropriate State unit and unit of local government for review, evaluation, and

1 comment regarding the significance of the proposal to State, area-wide, and local  
2 plans or programs.

3 (d) (1) The Commission shall provide an opportunity for public comment  
4 and hold a public hearing on the application for a certificate of public convenience and  
5 necessity in each county and municipal corporation in which any portion of the  
6 construction of a generating station or of an overhead transmission line designed to  
7 carry a voltage in excess of 69,000 volts is proposed to be located.

8 (2) The Commission shall hold the public hearing jointly with the  
9 governing body of the county or municipal corporation in which any portion of the  
10 construction of the generating station or overhead transmission line is proposed to be  
11 located, unless the governing body declines to participate in the hearing.

12 (3) Once in each of the 4 successive weeks immediately before the  
13 hearing date, the Commission shall provide weekly notice of the public hearing and  
14 an opportunity for public comment by advertisement in a newspaper of general  
15 circulation in the county or municipal corporation affected by the application.

16 (4) (i) The Commission shall ensure presentation and  
17 recommendations from each interested State unit, and shall allow representatives of  
18 each State unit to sit during hearing of all parties.

19 (ii) The Commission shall allow each State unit 15 days after the  
20 conclusion of the hearing to modify the State unit's initial recommendations.

21 (e) The Commission shall take final action on an application for a certificate  
22 of public convenience and necessity only after due consideration of:

23 (1) the recommendation of the governing body of each county or  
24 municipal corporation in which any portion of the construction of the generating  
25 station or overhead transmission line is proposed to be located; [and]

26 (2) THE NEED TO MEET EXISTING AND FUTURE DEMAND FOR ELECTRIC  
27 SERVICE; AND

28 (3) the effect of the generating station or overhead transmission line on:

29 (i) the stability and reliability of the electric system;

30 (ii) economics;

31 (iii) esthetics;

32 (iv) historic sites;

33 (v) aviation safety as determined by the Maryland Aviation  
34 Administration and the administrator of the Federal Aviation Administration;

35 (vi) when applicable, air and water pollution; and

1 (vii) the availability of means for the required timely disposal of  
2 wastes produced by any generating station.

3 (f) [For the construction of an overhead transmission line, in addition to the  
4 considerations listed in subsection (e) of this section, the Commission shall take final  
5 action on an application for a certificate of public convenience and necessity only after  
6 due consideration of the need to meet existing and future demand for electric service.

7 (g)] (1) The Commission may not authorize, and an electric company may not  
8 undertake, the construction of an overhead transmission line that is aligned with and  
9 within 1 mile of either end of a public airport runway, unless:

10 (i) the Federal Aviation Administration determines that the  
11 construction of an overhead transmission line will not constitute a hazard to air  
12 navigation; and

13 (ii) the Maryland Aviation Administration concurs in that  
14 determination.

15 (2) A privately owned airport runway shall qualify as a public airport  
16 runway under this subsection only if the runway has been on file with the Federal  
17 Aviation Administration for at least 2 years as being open to the public without  
18 restriction.

19 7-504.

20 The General Assembly finds and declares that the purpose of this subtitle is to:

21 (1) establish customer choice of electricity supply and electricity supply  
22 services;

23 (2) create competitive retail electricity supply and electricity supply  
24 services markets;

25 (3) [deregulate the generation, supply, and pricing of electricity;

26 (4)] provide economic benefits for all customer classes; and

27 [(5)] (4) ensure compliance with federal and State environmental  
28 standards.

29 7-505.

30 (a) [(1) In assessing and approving each electric company's restructuring  
31 plan, and overseeing the transition process and regulation of the restructured electric  
32 industry, the] THE Commission shall provide that the transition to a competitive  
33 electricity supply and electricity supply services market shall be orderly, maintain  
34 electric system reliability, and ensure compliance with federal and State  
35 environmental regulations, be fair to customers, electric company investors,





1 [(iii) On or before July 1, 2000, the Commission shall require, among  
2 other factors, functional, operational, structural, or legal separation between the  
3 electric company's regulated businesses and its nonregulated businesses or  
4 nonregulated affiliates.]

5 (11) Nothing in this title may be construed as preventing the application  
6 of State and federal consumer protection and antitrust laws to electric companies and  
7 their affiliates, and to electricity suppliers.

8 (12) The Commission, in consultation with the Department of the  
9 Environment, shall adopt appropriate measures to maintain environmental  
10 standards, adapt existing programs, and develop new programs as appropriate to  
11 ensure compliance with federal and State environmental protection standards.

12 (13) (i) An electric company shall comply with all requirements of the  
13 Commission in conducting regulated operations in compliance with this article.

14 (ii) The Commission shall require each electric company to adopt a  
15 code of conduct to be approved by the Commission by a date to be determined by the  
16 Commission to prevent regulated service customers from subsidizing the services of  
17 unregulated businesses or affiliates of the electric company.

18 (c) (1) Notwithstanding any other provision of law[, including subsection (d)  
19 of this section,] the Commission may regulate [the regulated services of] an electric  
20 company through alternative forms of regulation.

21 (2) The Commission may adopt an alternative form of regulation under  
22 this section if the Commission finds, after notice and hearing, that the alternative  
23 form of regulation:

24 (i) protects consumers;

25 (ii) ensures the quality, availability, and reliability of regulated  
26 electric services; and

27 (iii) is in the interest of the public, including shareholders of the  
28 electric company.

29 (3) Alternative forms of regulation may include:

30 (i) price regulation, including price freezes or caps;

31 (ii) revenue regulation;

32 (iii) ranges of authorized return;

33 (iv) rate of return;

34 (v) categories of services; or

35 (vi) price-indexing.

1 (d) [(1) The Commission shall cap, for 4 years after initial implementation of  
2 customer choice in the electric company's distribution territory, the total of the rates  
3 of an electric company charged to a retail electric customer at the actual level of the  
4 rates in effect or authorized by the Commission on the date immediately preceding  
5 the initial implementation of customer choice in the electric company's distribution  
6 territory.

7 (2) (i) Except as provided in subparagraph (ii) of this paragraph, the  
8 cap required under paragraph (1) of this subsection does not apply to the recovery of  
9 costs added after January 1, 2000, in accordance with § 7-512(c) of this subtitle.

10 (ii) The cap required under paragraph (1) of this subsection applies  
11 to the recovery of:

12 1. any transition costs under § 7-513 of this subtitle;

13 2. any costs included in rates on January 1, 2000, in  
14 accordance with § 7-512(c) of this subtitle; and

15 3. costs for the universal service program established under  
16 § 7-512.1 of this subtitle.

17 (3) As part of a settlement, the Commission may approve a cap for a  
18 different time period or an alternative price protection plan that the Commission  
19 determines is equally protective of ratepayers.

20 (4) (i) 1. Subject to the provisions of paragraph (5) of this  
21 subsection, the Commission shall reduce residential rates for each investor-owned  
22 electric company by an amount between 3% and 7.5% of base rates, as measured on  
23 June 30, 1999.

24 2. The reduction required under sub-subparagraph 1 of this  
25 subparagraph shall begin on the initial implementation date and remain in effect for  
26 4 years.

27 3. The Commission shall determine the allocation of the rate  
28 reduction among the generation, transmission, and distribution residential rate  
29 components.

30 (ii) In achieving the rate reduction required under subparagraph (i)  
31 of this paragraph, the Commission shall consider:

32 1. the expiration of any surcharge;

33 2. changes in the electric company's tax liability;

34 3. cost of service determinations ordered by the Commission;

35 4. net transition costs or benefits;

36 5. the effect on the competitive electricity supply market;



- 1 (3) contain information that the Commission requires, including:
- 2 (i) proof of technical and managerial competence;
- 3 (ii) proof of compliance with all applicable requirements of the  
4 Federal Energy Regulatory Commission, and any independent system operator or  
5 regional or system transmission operator to be used by the licensee;
- 6 (iii) a certification of compliance with applicable federal and State  
7 environmental laws and regulations that relate to the generation of electricity; and
- 8 (iv) payment of the applicable licensing fee.
- 9 (c) The Commission shall, by regulation or order:
- 10 (1) require proof of financial integrity;
- 11 (2) require a licensee to post a bond or other similar instrument, if, in the  
12 Commission's judgment, the bond or similar instrument is necessary to insure an  
13 electricity supplier's financial integrity;
- 14 (3) require a licensee to:
- 15 (i) provide proof that it is qualified to do business in the State with  
16 the Department of Assessments and Taxation; and
- 17 (ii) agree to be subject to all applicable taxes; and
- 18 (4) adopt any other requirements it finds to be in the public interest,  
19 which may include different requirements for:
- 20 (i) electricity suppliers that serve only large customers; and
- 21 (ii) the different categories of electricity suppliers.
- 22 (d) A license issued under this section may not be transferred without prior  
23 Commission approval.
- 24 (e) The Commission shall adopt regulations or issue orders to:
- 25 (1) protect consumers, electric companies, and electricity suppliers from  
26 anticompetitive and abusive practices;
- 27 (2) require each electricity supplier to provide, in addition to the  
28 requirements under § 7-505(b)(5) of this subtitle, adequate and accurate customer  
29 information to enable customers to make informed choices regarding the purchase of  
30 any electricity services offered by the electricity supplier;
- 31 (3) establish reasonable restrictions on telemarketing;
- 32 (4) establish procedures for contracting with customers;

1 (5) establish requirements and limitations relating to deposits, billing,  
2 collections, and contract cancellations; AND

3 (6) [establish provisions providing for the referral of a delinquent  
4 account by an electricity supplier to the standard offer service under § 7-510(c) of this  
5 subtitle; and

6 (7)] establish procedures for dispute resolution.

7 (f) In accordance with regulations or orders of the Commission, electricity  
8 bills, for competitive and regulated electric services, provided to consumers may  
9 provide, in addition to the requirements of § 7-505(b)(5) of this subtitle and  
10 subsection (e)(2) of this section, the following information:

11 (1) the identity and phone number of the electricity supplier of the  
12 service;

13 (2) sufficient information to evaluate prices and services; and

14 (3) information identifying whether the price is regulated or competitive.

15 (g) (1) An electricity supplier or any person or governmental unit may not,  
16 without first obtaining the customer's permission:

17 (i) make any change in the electricity supplier for a customer; or

18 (ii) add a new charge for a new or existing service or option.

19 (2) The Commission shall adopt regulations or issue orders establishing  
20 procedures to prevent the practices prohibited under paragraph (1) of this subsection.

21 (h) (1) An electricity supplier may not discriminate against any customer  
22 based wholly or partly on race, color, creed, national origin, or sex of an applicant for  
23 service or for any arbitrary, capricious, or unfairly discriminatory reason.

24 (2) An electricity supplier may not refuse to provide service to a  
25 customer except by the application of standards that are reasonably related to the  
26 electricity supplier's economic and business purposes.

27 (i) An electricity supplier shall be subject to all applicable federal and State  
28 environmental laws and regulations.

29 (j) An electricity supplier shall post on the Internet information that is  
30 readily understandable about its services and rates for small commercial and  
31 residential electric customers.

32 (k) (1) The Commission may revoke or suspend the license of an electricity  
33 supplier, impose a civil penalty or other remedy, order a refund or credit to a  
34 customer, or impose a moratorium on adding or soliciting additional customers by the  
35 electricity supplier, for just cause on the Commission's own investigation or on  
36 complaint of the Office of People's Counsel, the Attorney General, or an affected party.

- 1           (2)     A civil penalty may be imposed in addition to the Commission's  
2 decision to revoke, suspend, or impose a moratorium.
- 3           (3)     Just cause includes:
- 4                   (i)     intentionally providing false information to the Commission;
- 5                   (ii)    switching, or causing to be switched, the electricity supply for a  
6 customer without first obtaining the customer's permission;
- 7                   (iii)  failing to provide electricity for its customers;
- 8                   (iv)   committing fraud or engaging in deceptive practices;
- 9                   (v)    failing to maintain financial integrity;
- 10                  (vi)   violating a Commission regulation or order;
- 11                  (vii)  failing to pay, collect, remit, or calculate accurately applicable  
12 State or local taxes;
- 13                  (viii)  violating a provision of this article or any other applicable  
14 consumer protection law of the State;
- 15                  (ix)   conviction of a felony by the licensee or principal of the licensee  
16 or any crime involving fraud, theft, or deceit; and
- 17                  (x)    suspension or revocation of a license by any State or federal  
18 authority.
- 19    (1)    (1)     An electricity supplier or person selling or offering to sell electricity  
20 in the State in violation of this section, after notice and an opportunity for a hearing,  
21 is subject to:
- 22                   (i)     a civil penalty of not more than \$10,000 for the violation; or
- 23                   (ii)    license revocation or suspension.
- 24           (2)     Each day a violation continues is a separate violation.
- 25           (3)     The Commission shall determine the amount of any civil penalty  
26 after considering:
- 27                   (i)     the number of previous violations of any provision of this  
28 article;
- 29                   (ii)    the gravity of the current violation; and
- 30                   (iii)  the good faith of the electricity supplier or person charged in  
31 attempting to achieve compliance after notification of the violation.

1 (m) In connection with a consumer complaint or Commission investigation  
2 under this section, an electricity supplier shall provide to the Commission access to  
3 any accounts, books, papers, and documents which the Commission considers  
4 necessary to resolve the matter at issue.

5 (n) The Commission may order the electricity supplier to cease adding or  
6 soliciting additional customers or to cease serving customers in the State.

7 (o) The Commission shall consult with the Consumer Protection Division of  
8 the Office of the Attorney General before issuing regulations designed to protect  
9 consumers.

10 (p) The People's Counsel shall have the same authority in licensing,  
11 complaint, and dispute resolution proceedings as it has in Title 2 of this article.

12 (q) Nothing in this subtitle may be construed to affect the authority of the  
13 Division of Consumer Protection in the Office of the Attorney General to enforce  
14 violations of Titles 13 and 14 of the Commercial Law Article or any other applicable  
15 State law or regulation in connection with the activities of electricity suppliers.

16 [7-509.

17 (a) (1) On and after the initial implementation date, the generation, supply,  
18 and sale of electricity, including all related facilities and assets, may not be regulated  
19 as an electric company service or function except to:

20 (i) establish the price for standard offer service under § 7-510(c) of  
21 this subtitle; and

22 (ii) review and approve transfers of generation assets under §  
23 7-508 of this subtitle.

24 (2) This subsection does not apply to:

25 (i) regulation of an electricity supplier under § 7-507 of this  
26 subtitle; or

27 (ii) the costs of nuclear generation facilities or purchased power  
28 contracts that, as part of a settlement approved by the Commission, remain regulated  
29 or are recovered through the distribution function.

30 (b) (1) Subject to paragraph (2) of this subsection, this section does not apply  
31 to an investor-owned electric company until the electric company:

32 (i) transfers generation facilities and generation assets to an  
33 affiliate of the electric company, and the affiliate operates the facilities and assets; or

34 (ii) sells the generation facilities and generation assets to a  
35 nonaffiliate.

1           (2)   (i)   Notwithstanding the provisions of paragraph (1) of this  
2 subsection, this section applies to an investor-owned electric company that does not  
3 transfer its generation facilities and generation assets to an affiliate or sell its  
4 generation facilities and generation assets to a nonaffiliate if, on January 1, 1999, the  
5 retail peak load of the investor-owned electric company in the State was less than  
6 1,000 megawatts.

7                           (ii)   An investor-owned electric company to which this section  
8 applies through subparagraph (i) of this paragraph shall, by January 1, 2001:

9   1.   transfer its generation facilities and generation assets to  
10 an affiliate of the investor-owned electric company that operates the facilities and  
11 assets; or

12   2.   sell the generation facilities and generation assets to a  
13 nonaffiliate.

14   (c)   The exceptions in subsection (a)(1) of this section as to any electric  
15 company shall remain in effect until the later of:

16                           (1)   the date when all customers of that electric company are eligible for  
17 customer choice under § 7-510 of this subtitle;

18                           (2)   the date when the amount of transition costs or benefits arising from  
19 the generation that is deregulated has been finally determined by the Commission  
20 under § 7-513(a) through (c) of this subtitle; or

21                           (3)   if, under § 7-510(c)(3)(ii) of this subtitle, the Commission extends the  
22 obligation to provide standard offer service, the date on which the Commission  
23 terminates that obligation.]

24 [7-510.

25   (a)   (1)   Subject to subsection (b) of this section, the phased implementation of  
26 customer choice shall be implemented as follows:

27                           (i)   on July 1, 2000, one-third of the residential class in the State of  
28 each electric company shall have the opportunity for customer choice;

29                           (ii)   on January 1, 2001, the entire industrial class and the entire  
30 commercial class in the State of each electric company shall have the opportunity for  
31 customer choice;

32                           (iii)   on July 1, 2001, two-thirds of the residential class in the State  
33 of each electric company shall have the opportunity for customer choice;

34                           (iv)   on July 1, 2002, all customers of each electric company shall  
35 have the opportunity for customer choice; and

1 (v) by July 1, 2003, under a separate schedule adopted by the  
2 Commission, all customers of each electric cooperative shall have the opportunity for  
3 customer choice.

4 (2) (i) In accordance with this paragraph, the Commission may adopt  
5 a separate schedule for municipal electric utilities for the implementation of customer  
6 choice.

7 (ii) A municipal electric utility may not be required to make its  
8 service territory available for customer choice unless it elects to do so.

9 (iii) If a municipal electric utility elects to allow customer choice, the  
10 municipal electric utility shall file a proposed plan and schedule with the  
11 Commission.

12 (iv) The Commission may approve each municipal electric utility  
13 plan and schedule after considering the features that distinguish the municipal  
14 electric utility from other electric companies.

15 (v) Nothing in this subtitle may be construed to require the  
16 functional, operational, structural, or legal separation of the regulated and  
17 nonregulated operations of the municipal electric utility.

18 (3) On or before October 1, 2003, each municipal electric utility shall  
19 report, subject to § 2-1246 of the State Government Article, to the General Assembly  
20 on the status of the opportunity for customer choice in its service territory, including:

21 (i) if the service territory of the municipal electric utility is  
22 available for customer choice, its experience, through July 1, 2003, with the transition  
23 to customer choice; or

24 (ii) if the service territory of the municipal electric utility is not  
25 available for customer choice as of July 1, 2003, its proposed intention to make  
26 customer choice available in the future.

27 (4) If a municipal electric utility serves customers outside its distribution  
28 territory, electricity suppliers licensed under § 7-507 of this subtitle may serve the  
29 customers in the distribution territory of the municipal electric utility.

30 (b) For good cause shown and if the Commission finds the action to be in the  
31 public interest, the Commission may:

32 (1) accelerate or delay the initial implementation date of July 1, 2000 by  
33 up to 3 months; or

34 (2) accelerate any of the other implementation dates and phase-in  
35 percentages in subsection (a) of this section.

1 (c) (1) Beginning on the initial implementation date, an electric company's  
2 obligation to provide electricity supply and electricity supply service is stated by this  
3 subsection.

4 (2) Electricity supply purchased from a customer's electric company is  
5 known as standard offer service. A customer is considered to have chosen the  
6 standard offer service if the customer:

7 (i) is not allowed to choose an electricity supplier under the phase  
8 in of customer choice in subsection (a) of this section;

9 (ii) contracts for electricity with an electricity supplier and it is not  
10 delivered;

11 (iii) cannot arrange for electricity from an electricity supplier;

12 (iv) does not choose an electricity supplier;

13 (v) chooses the standard offer service; or

14 (vi) has been denied service or referred to the standard offer service  
15 by an electricity supplier in accordance with § 7-507(e)(6) of this subtitle.

16 (3) Any obligation of an electric company to provide standard offer  
17 service shall cease on July 1, 2003, except that:

18 (i) electric cooperatives and municipal electric utilities may choose  
19 to continue providing standard offer service in their respective distribution  
20 territories, and may cease offering that service after notifying the Commission at  
21 least 12 months in advance; and

22 (ii) 1. if the Commission finds that the electricity supply market  
23 is not competitive or that no acceptable competitive proposal has been received to  
24 supply electricity to those customers described under paragraph (2) of this subsection,  
25 the Commission shall extend the obligation to provide standard offer service to  
26 residential and small commercial customers at a market price that permits recovery  
27 of the verifiable, prudently incurred costs to procure or produce the electricity plus a  
28 reasonable return.

29 2. The Commission shall reexamine the finding made under  
30 this subparagraph at least annually.

31 (4) On or before July 1, 2001, the Commission shall adopt regulations or  
32 issue orders to establish procedures for the competitive selection of electricity  
33 suppliers, including an affiliate of an electric company, to provide standard offer  
34 service to customers of electric companies under paragraph (2) of this subsection,  
35 except for customers of electric cooperatives and municipal electric utilities. Unless  
36 delayed by the Commission, the competitive selection shall take effect no later than  
37 July 1, 2003.

1 (5) An electric company may procure the electricity needed to meet its  
2 standard offer service electricity supply obligation from any electricity supplier,  
3 including an affiliate of the electric company.

4 (d) Notwithstanding the dates set forth in this section or any other law,  
5 customer choice may not commence until legislation is enacted by the General  
6 Assembly to restructure Maryland taxes to address the State and local tax  
7 implications of restructuring the electric utility industry.

8 (e) The Commission shall, by regulation or order, adopt procedures to  
9 implement this section, including the allocation of any unused opportunity for  
10 customer choice among customer classes.

11 (f) A county or municipal corporation may not act as an aggregator unless the  
12 Commission determines there is not sufficient competition within the boundaries of  
13 the county or municipal corporation.]

14 7-512.1.

15 (b) (1) All customers shall contribute to the funding of the electric universal  
16 service program through a charge collected by each electric company.

17 (2) The Commission shall determine a fair and equitable allocation for  
18 collecting the charges among all customer classes pursuant to subsection (e) of this  
19 section.

20 (3) In accordance with subsection (f)(6) of this section, any unexpended  
21 bill assistance and arrearage retirement funds returned to customers under  
22 subsection (f) of this section shall be returned to each customer class as a credit in the  
23 same proportion that the customer class contributed charges to the fund.

24 (4) An electric company shall recover electric universal service program  
25 costs [in accordance with § 7-512 of this subtitle].

26 (5) The Commission shall determine the allocation of the electric  
27 universal service charge among the generation, transmission, and distribution rate  
28 components of all classes.

29 (6) The Commission may not assess the electric universal service  
30 surcharge on a per kilowatt-hour basis.

31 [7-515.

32 An electricity supplier that also provides distribution service, or that has an  
33 affiliate that provides distribution service, in Pennsylvania, Delaware, West Virginia,  
34 Virginia, or the District of Columbia may not provide retail electricity supply service,  
35 directly, indirectly, or through an aggregator, marketer, or broker, in the distribution  
36 territory of an unaffiliated electric company unless there is electricity supply  
37 competition in at least a portion of the distribution service area of the electricity  
38 supplier or affiliate.]

1 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
2 read as follows:

3 **Article - Public Utility Companies**

4 [7-512.

5 (a) This section and § 7-513 of this subtitle apply to an entity that was  
6 regulated as an electric company on June 30, 1999, whether or not the entity or any  
7 of its businesses, services, or assets continues to be regulated under this article after  
8 that date.

9 (b) An electric company may recover costs under this section to the extent that  
10 the Commission finds costs to be just and reasonable.

11 (c) (1) An electric company shall be provided a fair opportunity to recover  
12 fully all costs that have been or will be incurred by the electric company under public  
13 purpose programs established by law or ordered by the Commission.

14 (2) (i) Except as provided in paragraph (3) of this subsection, the costs  
15 subject to this subsection shall be funded by a surcharge or other cost recovery  
16 mechanism collected on a statewide basis that:

17 1. fully recovers from customers the costs of the plans and  
18 programs; and

19 2. subject to subparagraph (ii) of this paragraph, with  
20 respect to any of these costs not included in rates on January 1, 2000, is not subject to  
21 any otherwise applicable cap.

22 (ii) The recovery by an electric company of costs for a universal  
23 service program is subject to any applicable cap regardless of when the costs are  
24 included in rates.

25 (3) During the fiscal year ending June 30, 2000, an electric company may  
26 not, under paragraph (2) of this subsection, recover costs of a consumer education  
27 program established by law, regulation, or order.]

28 [7-513.

29 (a) (1) In accordance with this subsection, an electric company shall be  
30 provided a fair opportunity to recover all of its prudently incurred and verifiable net  
31 transition costs, subject to full mitigation, following the Commission's determination  
32 under subsection (b) of this section.

33 (2) A competitive transition charge, or other appropriate mechanism  
34 that the Commission determines, may be included for customers who access the  
35 transmission or distribution system of the electric company in whose distribution  
36 territory the customer is located. The costs authorized by the Commission to be  
37 recovered shall be allocated to customer classes in a manner that, as nearly as

1 reasonably possible, does not exceed the cost of providing the service to those classes  
2 of customers, avoiding where reasonably possible any interclass or intraclass cross  
3 subsidy.

4 (3) (i) The competitive transition charge may be included on bills to  
5 customers for a period determined by the Commission.

6 (ii) The Commission may establish recovery periods of different  
7 lengths for each electric company and for different categories of transition costs.

8 (4) A competitive transition charge, or other appropriate mechanism  
9 determined by the Commission, may not apply to any on-site generated electricity to  
10 the extent of:

11 (i) the existing facilities' installed generating capacity as of  
12 January 1, 1999;

13 (ii) the generating capacity of an existing facility to be installed  
14 under a legally binding contract:

15 1. executed on or before January 1, 1999; or

16 2. executed on or before September 29, 1999, if the  
17 Commission, on a case by case review of the evidence, determines that negotiations in  
18 good faith concerning the contract were ongoing as of January 1, 1999; or

19 (iii) for a facility with a capacity of 500 kilowatts or less:

20 1. the first 80 megawatts of the aggregate statewide  
21 generating capacity of on-site generating facilities;

22 2. the generating capacity of the facility if the facility:

23 A. is installed between January 1, 2000 and December 31,  
24 2003;

25 B. derives electricity from fuel cells, photovoltaics, wind  
26 machines, or microturbines; and

27 C. has an energy conversion efficiency greater than 40%; or

28 3. the generating capacity of the facility if the facility:

29 A. is installed after January 1, 2004;

30 B. derives electricity from fuel cells, photovoltaics, wind  
31 machines, or microturbines; and

32 C. has an energy conversion efficiency greater than 50%.

1 (b) The Commission shall determine the transition costs and the amounts of  
2 the transition costs that an electric company shall be provided an opportunity to  
3 recover under its restructuring plan through the competitive transition charge or  
4 other appropriate mechanism.

5 (c) (1) After July 1, 1999, an electric company may apply to the Commission  
6 for a qualified rate order for some or all of its transition costs.

7 (2) If the Commission issues a qualified rate order and the transition  
8 bonds approved by that order are successfully issued:

9 (i) the electric company shall impose and collect, through its  
10 customer bills, the intangible transition charges approved by the qualified rate order;  
11 and

12 (ii) at the same time, the electric company's competitive transition  
13 charge shall be reduced by an amount equal to that portion of the competitive  
14 transition charge related to the transition costs for which transition bonds have been  
15 successfully issued, together with any costs of capital related to the transition costs  
16 for which recovery was provided in the competitive transition charge, as provided in  
17 the qualified rate order.

18 (d) (1) The Commission shall establish procedures for the annual review of  
19 the competitive transition charge for each electric company to reconcile the annual  
20 revenues received from the charge with the annual amortization of transition costs  
21 approved by the Commission under this section to take account of actual  
22 kilowatt-hour sales in the prior year compared with previously estimated  
23 kilowatt-hour sales. The Commission shall adjust the competitive transition charge  
24 based on any under recovery or over recovery with respect to the authorized  
25 amortization amount.

26 (2) Nothing in this subtitle may be construed as preventing the  
27 Commission from approving for an investor-owned electric company:

28 (i) an adjustment mechanism proposed by the investor-owned  
29 electric company in its initial restructuring proposal filed prior to January 1, 1999,  
30 that takes into account differences other than differences in kilowatt-hour sales,  
31 taking into consideration any requirements related to any transition bonds;

32 (ii) an adjustment that takes into account generation asset sales by  
33 an electric company or an affiliate to a nonaffiliate that are consummated on or before  
34 June 30, 2005; or

35 (iii) any other mechanism as part of a settlement.

36 (e) (1) In determining the appropriate transition costs or benefits for each  
37 electric company's generation-related assets, the Commission shall:

38 (i) conduct public hearings; and

- 1 (ii) consider, in addition to other appropriate evidence of value:
- 2 1. book value and fair market value;
- 3 2. auctions and sales of comparable assets;
- 4 3. appraisals;
- 5 4. the revenue the company would receive under  
6 rate-of-return regulation;
- 7 5. the revenue the company would receive in a restructured  
8 electricity supply market; and
- 9 6. computer simulations provided to the Commission.

10 (2) The Commission shall determine any equitable allocation of costs or  
11 benefits between shareholders and ratepayers. In determining the allocation of  
12 transition costs or benefits, the Commission shall consider the following factors:

- 13 (i) the prudence and verifiability of the original investment;
- 14 (ii) whether the investment continues to be used and useful;
- 15 (iii) whether the loss is one of which investors can be said to have  
16 reasonably borne the risk; and
- 17 (iv) whether investors have already been compensated for the risk.]

18 SECTION 3. AND BE IT FURTHER ENACTED, That an electric company may  
19 acquire or build a generating station in accordance with this Act, but may not pass on  
20 to ratepayers the cost of reacquiring any generation assets that the electric company  
21 previously transferred to an affiliated company or sold.

22 SECTION 4. AND BE IT FURTHER ENACTED, That a presently existing  
23 obligation or contract right may not be impaired in any way by this Act.

24 SECTION 5. AND BE IT FURTHER ENACTED, That if any provision of this  
25 Act or the application thereof to any person or circumstance is held invalid for any  
26 reason in a court of competent jurisdiction, the invalidity does not affect other  
27 provisions or any other application of this Act which can be given effect without the  
28 invalid provision or application, and for this purpose the provisions of this Act are  
29 declared severable.

30 SECTION 6. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall  
31 take effect January 1, 2010.

32 SECTION 7. AND BE IT FURTHER ENACTED, That, except as provided in  
33 Section 6 of this Act, this Act shall take effect June 1, 2006.