
By: **Senators Klausmeier, Brochin, Forehand, Hogan, Kasemeyer,
Middleton, and Stone**

Introduced and read first time: March 6, 2006

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Public Service Commission - Actions Involving Electric Companies - Terms**
3 **and Conditions**

4 FOR the purpose of requiring the Public Service Commission, in determining whether
5 a certain action involving an electric company is consistent with the public
6 convenience and necessity, to consider whether the terms and conditions of a
7 certain agreement, contract, or settlement relating to the action promotes the
8 service, accommodation, convenience, or safety of the public; requiring that the
9 terms and conditions benefit ratepayers in a certain way, include commitments
10 to enhanced customer service and reliability, include energy efficiency and
11 conservation initiatives, and maintain corporate headquarters in Maryland for
12 the services that directly relate to ratepayers; providing for the application of
13 this Act; and generally relating to the terms and conditions of certain actions
14 involving electric companies.

15 BY repealing and reenacting, with amendments,
16 Article - Public Utility Companies
17 Section 5-104
18 Annotated Code of Maryland
19 (1998 Volume and 2005 Supplement)

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

22 **Article - Public Utility Companies**

23 5-104.

24 (a) (1) The Commission may authorize the acts described in §§ 5-202,
25 5-203, and 5-205 of this title and § 6-101(a) of this article if it finds that the
26 authorization is consistent with the public convenience and necessity.

27 (2) (I) FOR AN ACT INVOLVING AN ELECTRIC COMPANY, IN
28 DETERMINING WHETHER THE ACT IS CONSISTENT WITH THE PUBLIC CONVENIENCE

1 AND NECESSITY, THE COMMISSION SHALL CONSIDER WHETHER THE TERMS AND
2 CONDITIONS OF ANY AGREEMENT, CONTRACT, OR SETTLEMENT RELATING TO THE
3 ACT PROMOTE THE SERVICE, ACCOMMODATION, CONVENIENCE, OR SAFETY OF THE
4 PUBLIC.

5 (II) THE TERMS AND CONDITIONS SHALL:

6 1. BENEFIT RATEPAYERS BY PROVIDING A REDUCTION OR
7 STABILIZATION OF RATES AND ADDITIONAL ASSISTANCE FOR LOW-INCOME
8 CUSTOMERS;

9 2. INCLUDE COMMITMENTS TO ENHANCED CUSTOMER
10 SERVICE AND RELIABILITY;

11 3. INCLUDE ENERGY EFFICIENCY AND CONSERVATION
12 INITIATIVES; AND

13 4. MAINTAIN CORPORATE HEADQUARTERS IN MARYLAND
14 FOR THE SERVICES THAT DIRECTLY RELATE TO RATEPAYERS.

15 (b) Authority that the Commission grants under §§ 5-202 and 5-203 of this
16 title does not:

17 (1) revive a lapsed franchise;

18 (2) validate an invalid franchise;

19 (3) enlarge or add to the powers and privileges of a franchise; or

20 (4) waive a forfeiture.

21 SECTION 2. AND BE IT FURTHER ENACTED, That Section 1 of this Act
22 applies to any action under §§ 5-202, 5-203, 5-205, and 6-101(a) of the Public Utility
23 Companies Article pending at the Public Service Commission as of the effective date
24 of this Act.

25 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 July 1, 2006.