

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE
Revised

Senate Joint Resolution 11 (Senator Green, *et al.*)

Finance

Economic Matters Economic Matters

**Attorney General - Intervention and Participation in Hearings or Other
Proceedings Regarding the Merger of FPL Group, Inc., and Constellation Energy
Group, Inc.**

This joint resolution directs the Attorney General to intervene and participate in the Public Service Commission's (PSC) proceedings or any other appropriate State or federal unit, or any other case brought before any court of competent jurisdiction in the State or any federal court, regarding the merger of FPL Group, Inc. and Constellation Energy Group, Inc.

Fiscal Summary

State Effect: Any increase in general fund expenditures for the Attorney General's Office depends on the complexity of the issues involved, the number of cases, and the need for experts. The Attorney General's Office advises it would need at least \$250,000, but did not provide any supporting justification. The 2007 budget provides \$510,000 for the Attorney General provided that the funds are only used for litigation against tobacco manufacturers or for intervening in the merger pursuant to this resolution or enactment of legislation.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The Maryland Constitution provides that when required by the General Assembly by law or joint resolution, the Attorney General must aid any State's Attorney or other authorized prosecuting officer in investigating, commencing, and prosecuting any action or category of action brought by the State in any court of the State.

Background: On December 19, 2005, FPL Group, Inc. and Constellation Energy Group, Inc. announced the signing of a definitive agreement to create the nation's largest competitive energy supplier. Constellation Energy is the parent company of Baltimore Gas & Electric (BGE) which supplies electricity to more than 1 million residential and business customers in the State and supplies gas to over 600,000 gas customers in 10 counties and Baltimore City. On January 23, 2006 BGE submitted a petition to PSC with respect to the proposed merger resulting in PSC opening Case No. 9054.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 2, 2006
mll/jr Revised - Senate Third Reader - March 24, 2006
Revised - Updated Budget Information - March 30, 2006

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