

BY: Finance Committee

AMENDMENTS TO SENATE BILL NO. 1
(First Reading File Bill)

AMENDMENT NO. 1

On page 2, in line 34, after “matters” insert “, including the determination of and allowance for certain stranded costs”.

On page 3, in line 2, after “purposes;” insert “requiring the Commission, through the modification of a certain order, to require certain electric companies to provide an additional time period in which residential customers may opt in to a certain rate mitigation plan; authorizing certain electric companies to continue to collect an authorized reasonable return for providing certain service under certain circumstances;”; and in line 5, after “Act;” insert “making the provisions of this Act severable;”.

AMENDMENT NO. 2

On page 6, in line 29, after “(III)” insert “1.”; and after line 34, insert:

“2. THE COMMISSION SHALL ESTABLISH, BY ORDER OR REGULATION, THE DEFINITION OF “DEFAULT SERVICE”.”.

On page 7, in line 33, after “OF” insert “COST-EFFECTIVE”; and in line 36, after “OTHER” insert “COST-EFFECTIVE”.

On page 8, in line 14, after “MAY” insert “REQUIRE OR”; in line 15, strike “OR” and substitute a comma; in the same line, after “ACQUIRE” insert “, OR LEASE”; in the same line, after “FACILITIES” insert a comma; in line 17, after “GRID” insert “, SUBJECT TO APPROPRIATE COST RECOVERY”; in line 22, after “YEAR’S” insert “TOTAL”; and in line 37, strike “UNDER TITLE 4 OF THIS ARTICLE” and substitute “MECHANISM APPROVED BY THE COMMISSION”.

(Over)

AMENDMENT NO. 3

On page 23, strike beginning with “IN” in line 32 down through “SUBTITLE” in line 33 and substitute “, AT THE OPTION OF THE CUSTOMER, TO:”

1. THE FULL MARKET RATE; OR

2. AN INTERMEDIATE LEVEL UNDER AN OPT-IN SHORT-TERM RATE STABILIZATION PLAN AS ALLOWED UNDER § 7-510(C) OF THIS SUBTITLE WHICH WILL SMOOTH THE TRANSITION TO THE FULL MARKET RATE FOR RESIDENTIAL CUSTOMERS WITHOUT ADVERSELY AFFECTING THE CREDITWORTHINESS OF THE ELECTRIC COMPANY”;

and in line 35, strike “JUNE” and substitute “JANUARY”.

On page 24, in line 27, strike “PART III” and substitute “SUBPARAGRAPH (I)”; in the same line, strike “SUBTITLE” and substitute “PARAGRAPH”; in the same line, after “RECONCILIATIONS” insert “MADE”; in line 28, strike “SUBPARAGRAPH (I)” and substitute “PART III”; in the same line, strike “PARAGRAPH” and substitute “SUBTITLE”; and in line 36, after “EFFECT.” insert “HOWEVER, THE MODIFICATION MAY NOT ALTER THE RATE STABILIZATION CHARGES APPROVED IN ACCORDANCE WITH PART III OF THIS SUBTITLE.”.

On page 26, after line 21, insert:

“(4) THE COMMISSION SHALL TAKE ACTION ON AN APPLICATION FOR AUTHORIZATION UNDER THIS SECTION WITHIN A REASONABLE TIME AFTER RECEIPT.”.

AMENDMENT NO. 4

On page 31, in line 11, after “COMPANY” insert “THAT OPERATES IN MARYLAND”.

On page 33, strike beginning with the second “AND” in line 2 down through “HARM” in line 3 and substitute “, INCLUDING BENEFITS AND NO HARM”; strike beginning with “OR” in line 9 down through “HARM” in line 10 and substitute “INCLUDING BENEFITS AND NO HARM TO”; and in line 14, strike “AND DOES NO HARM” and substitute “INCLUDING BENEFITS AND NO HARM”.

AMENDMENT NO. 5

On page 33, in lines 22, 25, 28, and 31, in each instance, strike “transaction may not allow” and substitute “merger transaction does not provide for”.

On page 34, in lines 4 and 5, in each instance, after “12” insert “or Section 22”; in line 15, before “review” insert “promptly and comprehensively”; in the same line, after “review” insert “and take action on”; and in line 37, after “credit” insert “or suspension”.

On page 35, in line 4, strike “a” and substitute “an annual”; in line 22, after “advisable” insert “, and to allow electric companies to develop a portfolio of electricity supply that provides electricity at the lowest cost with the least volatility”; in line 28, before “allowing” insert “requiring or”; in the same line, strike “or” and substitute a comma; and in the same line, after “acquire” insert “, or lease”.

On page 36, in line 2, after “governments” insert “in the service territories of investor-owned electric companies”; in line 20, after “shall” insert “:

1.”;

in line 21, after “State” insert “; and

2. consider whether it benefits small commercial customers for an electric company not to be required to provide the standard offer service under § 7-510(c) for small commercial customers”;

and in line 32, after “rates” insert “earlier than otherwise provided in the settlement agreement”.

On page 39, in line 2, after “membership” insert “and designate the Chairman”.

AMENDMENT NO. 6

On page 40, after line 38, insert:

“(5) Department of Human Resources

(Over)

N00C01.12 Office of Home Energy Programs \$9,000,000 Special Funds”.

On page 41, in line 1, after “in” insert “subsection (a)(2) through (4) of”; and after line 3, insert:

“(c) Special funds appropriated in subsection (a)(5) of this section shall be credited from funds assessed under § 7-512.1 of the Public Utility Companies Article, as enacted by this Act, and the repeal of the property tax credit and designation of special funding under Sections 2 and 10 of this Act.”.

AMENDMENT NO. 7

On page 41, in line 23, strike “(1)” and substitute “(a)”; in line 25, strike “; and” and substitute a period; strike in their entirety lines 26 through 30, inclusive, and substitute:

“(b) (1) This paragraph applies to an investor-owned electric company in a service territory in which a rate cap or freeze under § 7-505(d) of the Public Service Companies Article is no longer in effect and which has a rate mitigation plan in effect on July 1, 2006 for residential customers, in accordance with an order by the Public Service Commission, to limit the increase in the total electric rates to 15% on June 1, 2006, allow a 15.7% increase on March 1, 2007, allow for residential customers to pay market rates at a later date, and begin paying for the recovery of the deferred amount on June 1, 2007, with recovery of the deferred amount over 18 months.

(2) The Public Service Commission shall require, through the modification of the existing order, the electric company to provide after July 1, 2006, an additional time period in which residential customers may opt in to the rate mitigation plan.

(3) Subject to paragraphs (4), (5), and (6) of this subsection, the electric company may continue to collect an authorized reasonable return for providing standard offer service under an extension of the obligation to provide that service as approved by the Public Service Commission.

(4) The electric company shall apply the authorized reasonable return revenue to any actual carrying charges that the electric company may incur as a result of the deferred amounts from customers who have opted in to the rate mitigation plan.

(5) In accordance with paragraph (6) of this subsection, if the participation rate of

the number of customers who have opted in to the rate mitigation plan is less than 25% of the total residential customers of the electric company, the Public Service Commission shall require the electric company to apply a portion of the authorized reasonable return revenue to reducing rates.

(6) The total amount of authorized reasonable return that the electric company is required to apply to reduce rates is the amount by which the total dollar amount of carrying charges that would have been paid if 25% of the customers had participated in the plan during the deferral period exceeds the carrying charges actually paid.

On page 42, in line 14, after “2007” insert “, except that §§ 5-203, 6-101, 6-102, and 6-103 of the Public Utility Companies Article, as enacted by this Act, shall take effect July 1, 2007”.