

HOUSE BILL 818

C5

71r2232

By: **Delegates McDonough and Kipke**
Introduced and read first time: February 9, 2007
Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Electricity Suppliers – Sale of Wholesale Electricity to Affiliated Companies**
3 **and Disclosure of Rates**

4 FOR the purpose of requiring certain electricity suppliers that are affiliated with an
5 electric company that operates in the State to offer to sell wholesale electricity
6 to the electric company at the lowest best price that it sells electricity to certain
7 other customers; authorizing the Public Service Commission to waive the
8 obligation of a certain electricity supplier to offer to sell wholesale electricity to
9 a certain electric company at the lowest best price if the Commission makes a
10 certain determination under certain circumstances; requiring certain electricity
11 suppliers to disclose to certain persons the rates of all electricity it sells to any
12 customer; providing that existing obligations or contract rights may not be
13 impaired by this Act; making the provisions of this Act severable; and generally
14 relating to the disclosure of electricity rates by certain electricity suppliers and
15 the sale of wholesale electricity to electric companies by affiliated electricity
16 suppliers.

17 BY adding to
18 Article – Public Utility Companies
19 Section 7–510.1
20 Annotated Code of Maryland
21 (1998 Volume and 2006 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **Article – Public Utility Companies**

2 **7-510.1.**

3 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, AN
4 ELECTRICITY SUPPLIER THAT IS AFFILIATED WITH AN ELECTRIC COMPANY
5 OPERATING IN THE STATE MUST OFFER TO SELL TO THE AFFILIATED ELECTRIC
6 COMPANY WHOLESALE ELECTRICITY AT THE LOWEST BEST PRICE THAT THE
7 ELECTRICITY SUPPLIER SELLS ELECTRICITY TO ANY WHOLESALE OR
8 INDUSTRIAL CUSTOMERS LOCATED IN OR OUTSIDE THE STATE.

9 (B) ON APPLICATION BY AN ELECTRICITY SUPPLIER, THE COMMISSION
10 MAY WAIVE THE OBLIGATION OF AN ELECTRICITY SUPPLIER TO OFFER TO SELL
11 ELECTRICITY TO AN AFFILIATED ELECTRIC COMPANY OPERATING IN THE STATE
12 AT THE LOWEST BEST PRICE UNDER SUBSECTION (A) OF THIS SECTION IF THE
13 COMMISSION DETERMINES THAT:

14 (1) THE REQUIREMENT UNDER SUBSECTION (A) OF THIS SECTION
15 WILL RESULT IN THE INABILITY OF THE ELECTRICITY SUPPLIER TO MEET
16 PREEXISTING CONTRACTUAL OBLIGATIONS; OR

17 (2) THE ELECTRICITY SUPPLIER DOES NOT HAVE THE CAPACITY
18 TO GENERATE, OR THE ABILITY TO PURCHASE, SUFFICIENT ELECTRICITY TO
19 FILL THE ELECTRICITY NEEDS OF THE AFFILIATED ELECTRIC COMPANY.

20 (C) AN ELECTRICITY SUPPLIER THAT IS AFFILIATED WITH AN ELECTRIC
21 COMPANY THAT OPERATES IN THE STATE SHALL DISCLOSE THE RATES OF ALL
22 ELECTRICITY THAT IT SELLS TO PERSONS THAT ARE LOCATED IN OR OUTSIDE
23 THE STATE TO:

24 (1) THE COMMISSION;

25 (2) THE PEOPLE’S COUNSEL; AND

26 (3) ANY AFFILIATED ELECTRIC COMPANY THAT OPERATES IN THE
27 STATE.

28 SECTION 2. AND BE IT FURTHER ENACTED, That a presently existing
29 obligation or contract right may not be impaired in any way by this Act.

1 SECTION 3. AND BE IT FURTHER ENACTED, That if any provision of this
2 Act or the application thereof to any person or circumstance is held invalid for any
3 reason in a court of competent jurisdiction, the invalidity does not affect other
4 provisions or any other application of this Act which can be given effect without the
5 invalid provision or application, and for this purpose the provisions of this Act are
6 declared severable.

7 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 October 1, 2007.