

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

Senate Bill 706
Finance

(Senators Klausmeier and Pipkin)

Public Service Companies - Annual Reports

This bill requires a company under the jurisdiction of the Public Service Commission (PSC) to file a separate annual report for each of its nonregulated affiliated or subsidiary companies.

Fiscal Summary

State Effect: The bill would not materially affect governmental operations.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Each public service company is required to file an annual report with PSC. Exceptions to this requirement are telephone companies whose rates are not regulated by PSC, and common carriers.

The annual report should contain information on the corporate structure, affiliations of its officers and directors, and debt holdings. PSC may prescribe the form contents and deadlines for required reports. The president, treasurer, or general manager of a public service company may be required to verify the company's annual report under oath.

A public service company is required to list in its annual report the name and address, basis of control, and principal business activities of each parent, subsidiary, organization the company controls, and any joint venture in excess of \$1 million in which the

company is involved. For each affiliated company a public service company must list and describe by Standard Industry Classification code and short title, each industry in which activities generated at least 10% of gross revenues or \$5 million during the reporting year. Additionally, for each corporation, partnership, or other business organization in which a public service company owns more than 5% of the outstanding voting securities or other ownership interests, the public service company shall, in its annual report list the corporation, partnership, or other business organization and indicate the percentage that the company owns.

Background: The Public Service Commission, established in 1910, regulates public service companies and is charged with ensuring an adequate and reliable supply of utility services at just and reasonable rates. Public service companies include electric companies and suppliers, gas companies and suppliers, combination gas and electric companies, telecommunications companies, water and sewage disposal companies, common carriers (passenger-for-hire motor vehicle companies, for-hire railroad companies, taxicab permits that are held by taxicab companies, passenger-for-hire water companies, and toll bridge companies), and liquefied gas facilities. **Exhibit 1** shows the public service entities regulated by the commission in calendar 2006.

Exhibit 1
Public Service Entities Regulated by the PSC
Calendar 2006

Electric Companies	12
Gas Companies	7
Combined Gas and Electric Companies	2
Electric Suppliers	57
Gas Suppliers	33
Telecommunications Companies	404
Water Companies	20
Water and Sewage Disposal Companies	3
Railroad Companies	6
Passenger-for-hire Motor Vehicle Companies	1,181
Passenger-for-hire Water Companies	13
Toll Bridge Companies	1
Taxicab Permits	1,481

Source: Public Service Commission

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Public Service Commission, Department of Legislative Services

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ncs/hlb

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