

HOUSE BILL 1626

C5

8lr3526
CF SB 1013

By: **The Speaker (By Request - Administration)**

Rules suspended

Introduced and read first time: March 25, 2008

Rules suspended

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted with floor amendments

Read second time: March 28, 2008

Returned to second reading: March 28, 2008

House action: Adopted

Read second time: March 28, 2008

CHAPTER _____

1 AN ACT concerning

2 **Public Service Commission – Nuclear Decommissioning, Electric Industry**
3 **Restructuring, and Acquisition and Financing Approvals**

4 FOR the purpose of authorizing the Public Service Commission to exercise certain
5 authority as set forth in certain provisions of federal law under certain
6 circumstances; providing for the construction of certain provisions of this Act;
7 granting the circuit court jurisdiction to enforce certain provisions of law;
8 providing for the application of certain provisions of this Act; authorizing the
9 Commission to authorize the taking, holding, or acquiring of certain capital
10 stock of a ~~certain~~ gas and electric company by a ~~certain~~ stock corporation or
11 ~~certain~~ public utility under certain circumstances; providing that certain
12 provisions of law apply to a gas and electric company; requiring a ~~certain~~ gas
13 and electric company to provide the Commission with a copy of a certain
14 document that is filed with a certain federal agency or commission under
15 certain circumstances; requiring the Commission to provide a ~~certain~~ gas and
16 electric company with certain confidentiality and other protections under
17 certain circumstances; prohibiting a person from acquiring power to exercise
18 certain influence over the policies and actions of a ~~certain~~ gas and electric
19 company without prior authorization of the Commission under certain
20 circumstances; providing that a person may not be considered to have acquired
21 certain power to exercise substantial influence over the policies and actions of a

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 gas and electric company under certain circumstances; authorizing the
2 Commission to order compliance with, and take certain actions authorized by,
3 certain provisions with respect to a ~~certain~~ gas and electric company under
4 certain circumstances; requiring the Commission to consider a certain factor in
5 considering a certain acquisition; requiring the Commission to issue a certain
6 order within a certain time period after the filing of a certain application under
7 certain circumstances; providing that, unless the Commission finds that a
8 certain period should be extended by a certain time period, the failure of the
9 Commission to issue a certain order within a certain time period shall be
10 considered to be an approval of a certain acquisition; repealing a certain
11 requirement of the Commission to conduct certain hearings, provide to certain
12 customers funds for mitigation of certain rate increases, and require that
13 certain funds be in the form of a nonbypassable credit on certain customer bills;
14 altering the date by which a certain electric company shall determine and apply
15 certain residential electric credits; altering the time periods during which an
16 electric company shall determine and apply a certain credit; altering the form of
17 a certain credit; requiring a certain electric company to determine and apply
18 certain suspensions for a certain time period by a certain date under certain
19 circumstances; altering the time frame within which a certain electric company
20 must cease collecting a certain component of a certain charge; altering the time
21 frame within which a certain credit of a certain nuclear decommissioning charge
22 collected is to be imputed as if deposited in a certain trust fund and is to be
23 credited against certain electric customer bills; providing that a one-time total
24 credit of a certain amount be divided in a certain manner and credited against
25 certain residential electric customer bills by a certain date; providing that a
26 certain nuclear decommissioning charge may be altered only in a certain
27 manner under certain circumstances; providing that certain residential electric
28 customer suspensions may not be recovered through electric rates; providing
29 that certain ratepayers may not bear certain financial obligations with regard to
30 a certain nuclear power plant under certain circumstances; providing that
31 ratepayers shall be deemed to have paid a certain amount in accordance with a
32 certain agreement under certain circumstances; providing that certain nuclear
33 decommissioning rights and obligations shall be deemed fully extinguished and
34 satisfied under certain circumstances; requiring a certain gas and electric
35 company to implement certain depreciation accruals until certain circumstances
36 exist; requiring the Commission to review certain regulations; declaring that
37 the provisions of this Act are not severable; and generally relating to nuclear
38 decommissioning, electric industry restructuring, and acquisition and financing
39 approvals of public service companies.

40 BY repealing and reenacting, with amendments,
41 Article – Public Utility Companies
42 Section 3–109, 6–101(c), and 6–105
43 Annotated Code of Maryland
44 (1998 Volume and 2007 Supplement)

45 BY repealing

1 Chapter 5 of the Acts of the General Assembly of the Special Session of 2006, as
2 amended by Chapter 549 of the Acts of the General Assembly of 2007
3 Section 5

4 BY repealing and reenacting, with amendments,
5 Chapter 549 of the Acts of the General Assembly of 2007
6 Section 2(a)(1) and (3)

7 BY repealing and reenacting, with amendments,
8 Chapter 5 of the Acts of the General Assembly of the Special Session of 2006
9 Section 6

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

12 **Article – Public Utility Companies**

13 3–109.

14 (a) On the request of a party to a proceeding in which a hearing is required
15 or held, the Commission shall issue subpoenas to compel the attendance and
16 testimony of witnesses and the production of documents at a hearing or deposition to
17 be taken by the party.

18 (b) On its own motion, the Commission may issue a subpoena to compel the
19 attendance and testimony of witnesses and the production of documents at a hearing
20 or deposition to be taken by the Commission.

21 (c) A subpoena shall be signed and issued by a commissioner or the
22 Executive Secretary of the Commission.

23 **(D) (1) THE COMMISSION MAY EXERCISE THE FULL AUTHORITY SET**
24 **FORTH IN 42 U.S.C. § 16453(A) THROUGH (C) AS IF SET FORTH IN THIS**
25 **ARTICLE.**

26 **(2) NOTHING IN THE GRANT OF AUTHORITY SET FORTH IN**
27 **PARAGRAPH (1) OF THIS SUBSECTION MAY BE CONSTRUED TO PREEMPT OR**
28 **LIMIT ANY OTHER AUTHORITY OF THE COMMISSION UNDER THIS ARTICLE.**

29 **(3) IN ADDITION TO THE AUTHORITY GRANTED TO THE**
30 **COMMISSION UNDER FEDERAL LAW TO ENFORCE THE PROVISIONS OF 42 U.S.C.**
31 **§ 16453, THE CIRCUIT COURTS OF THE STATE HAVE JURISDICTION TO ENFORCE**
32 **COMPLIANCE WITH THIS SUBSECTION.**

33 6–101.

1 (c) (1) This subsection does not apply to the formation of a holding
2 company by a public service company in a corporate reorganization that involves an
3 exchange of stock of the public service company for stock in the holding company.

4 (2) In this subsection, a company controlling a public service company
5 is deemed a public service company of the same class as the controlled public service
6 company.

7 (3) Without prior authorization of the Commission, a public service
8 company may not take, hold, or acquire any part of the capital stock of a public service
9 company that:

10 (i) operates in Maryland; and

11 (ii) is of the same class as the acquiring company.

12 (4) (i) Except as provided in subparagraph (ii) of this paragraph, a
13 stock corporation may not take, hold, or acquire more than 10% of the total capital
14 stock of a public service company that operates in Maryland unless:

15 1. the stock is acquired as collateral security; and

16 2. the Commission approves the acquisition.

17 (ii) The Commission may authorize a public service company of
18 the same class to take, hold, or acquire more than 10% of the total capital stock of a
19 public service company that operates in Maryland.

20 (5) A public service company may not be a party to a violation of this
21 subsection.

22 **(6) NOTWITHSTANDING PARAGRAPH (2) OF THIS SUBSECTION, §**
23 **6-105 OF THIS SUBTITLE SHALL APPLY, AND THE PROVISIONS OF THIS**
24 **SUBSECTION DO NOT APPLY, TO THE ACQUISITION, OWNERSHIP, OR**
25 **DISPOSITION OF ANY CAPITAL STOCK OR VOTING SECURITIES OF A COMPANY**
26 **THAT CONTROLS, DIRECTLY OR INDIRECTLY, A GAS AND ELECTRIC COMPANY.**

27 **(7) NOTWITHSTANDING ANY OTHER PROVISION OF THIS**
28 **SUBSECTION, THE COMMISSION MAY AUTHORIZE, IN ACCORDANCE WITH §**
29 **6-105 OF THIS SUBTITLE, THE TAKING, HOLDING, OR ACQUIRING OF ALL OR ANY**
30 **PART OF THE CAPITAL STOCK OF A GAS AND ELECTRIC COMPANY THAT**
31 **OPERATES IN THE STATE BY A STOCK CORPORATION OR A PUBLIC SERVICE**
32 **COMPANY THAT IS NOT OF THE SAME CLASS AS THE GAS AND ELECTRIC**
33 **COMPANY.**

34 6-105.

1 (a) In this section, “affiliate” has the meaning stated in § 7–501 of this
2 article.

3 (b) (1) The General Assembly finds that:

4 (i) existing legislation requires the approval by the Commission
5 of the acquisition by one public service company of another public service company’s
6 stocks and obligations, but does not require the Commission’s approval of these
7 acquisitions by persons not engaged in the public utility business in the State; and

8 (ii) an attempt by a person not engaged in the public utility
9 business in the State to acquire the power to exercise any substantial influence over
10 the policies and actions of a public service company that provides electricity or gas in
11 the State could result in harm to the customers of the public service company,
12 including the degradation of utility services, higher rates, weakened financial
13 structure, and diminution of utility assets.

14 (2) The General Assembly declares that it is the policy of the State to
15 regulate acquisitions by persons that are not engaged in the public utility business in
16 the State of the power to exercise any substantial influence over the policies and
17 actions of a public service company that provides electricity or gas in the State in order
18 to prevent unnecessary and unwarranted harm to the customers of the public service
19 company.

20 (c) This section applies to the acquisition of an electric company, **GAS AND**
21 **ELECTRIC COMPANY**, or a gas company that operates in Maryland.

22 (d) (1) **A GAS AND ELECTRIC COMPANY, AT THE SAME TIME AS A**
23 **FILING BY THE COMPANY OR WITHIN 10 DAYS AFTER RECEIPT BY THE**
24 **COMPANY, SHALL PROVIDE THE COMMISSION WITH A COPY OF ANY DOCUMENT**
25 **REGARDING THE ACQUISITION OF VOTING SECURITIES OF THE GAS AND**
26 **ELECTRIC COMPANY OR ANY COMPANY THAT OWNS OR CONTROLS THE GAS AND**
27 **ELECTRIC COMPANY, FILED OR RECEIVED BY THE COMPANY, THAT IS FILED**
28 **WITH:**

29 (I) **THE SECURITIES AND EXCHANGE COMMISSION;**

30 (II) **THE FEDERAL ENERGY REGULATORY COMMISSION;**

31 (III) **THE NUCLEAR REGULATORY COMMISSION;**

32 (IV) **THE DEPARTMENT OF JUSTICE;**

33 (V) **THE FEDERAL TRADE COMMISSION; OR**

34 (VI) **ANY SUCCESSOR AGENCY.**

1 **(2) THE COMMISSION SHALL PROVIDE THE GAS AND ELECTRIC**
2 **COMPANY WITH THE SAME CONFIDENTIALITY AND OTHER PROTECTIONS**
3 **PROVIDED BY THE FEDERAL AGENCY WITH WHICH THE FILING WAS MADE.**

4 **(E) (1)** Without prior authorization from the Commission, a person may
5 not acquire, directly or indirectly, the power to exercise any substantial influence over
6 the policies and actions of an electric company, **GAS AND ELECTRIC COMPANY**, or gas
7 company, if the person would become an affiliate of the electric company, **GAS AND**
8 **ELECTRIC COMPANY**, or gas company as a result of the acquisition.

9 **(2) FOR THE PURPOSES OF THIS SUBSECTION, A PERSON MAY**
10 **NOT BE CONSIDERED TO HAVE ACQUIRED, DIRECTLY OR INDIRECTLY, THE**
11 **POWER TO EXERCISE ANY SUBSTANTIAL INFLUENCE OVER THE POLICIES AND**
12 **ACTIONS OF A GAS AND ELECTRIC COMPANY IF THE PERSON:**

13 **(I) AFTER ANY ACQUISITION OF VOTING INTERESTS OF A**
14 **COMPANY THAT OWNS OR CONTROLS A GAS AND ELECTRIC COMPANY, DIRECTLY**
15 **OR INDIRECTLY, OWNS, CONTROLS, OR HAS THE RIGHT TO VOTE, OR DIRECT**
16 **THE VOTING OF, NOT MORE THAN 20% OF THE OUTSTANDING VOTING**
17 **INTERESTS OF A COMPANY THAT OWNS OR CONTROLS A GAS AND ELECTRIC**
18 **COMPANY; AND**

19 **(II) DOES NOT HAVE THE RIGHT TO DESIGNATE MORE THAN**
20 **20% OF THE BOARD OF DIRECTORS OR OTHER GOVERNING BODY OF A COMPANY**
21 **THAT OWNS OR CONTROLS A GAS AND ELECTRIC COMPANY.**

22 **(3) PARAGRAPH (2) OF THIS SUBSECTION MAY NOT BE**
23 **CONSTRUED TO APPLY TO THE ACQUISITION OF ANY VOTING INTERESTS OF A**
24 **GAS AND ELECTRIC COMPANY.**

25 **(4) IF A PERSON THAT ACQUIRES VOTING SECURITIES OF A**
26 **COMPANY THAT OWNS OR CONTROLS A GAS AND ELECTRIC COMPANY AFTER**
27 **THE ACQUISITION ACTUALLY EXERCISES SUBSTANTIAL INFLUENCE OVER THE**
28 **POLICIES AND ACTIONS OF A GAS AND ELECTRIC COMPANY, THE COMMISSION**
29 **MAY ORDER COMPLIANCE WITH, AND TAKE ANY ACTIONS AUTHORIZED BY,**
30 **OTHER PROVISIONS OF THIS ARTICLE WITH RESPECT TO THE GAS AND**
31 **ELECTRIC COMPANY.**

32 **[(e)] (F)** An application for authorization under subsection **[(d)] (E)** of this
33 section must include detailed information regarding:

34 (1) the applicant's identity and financial ability;

35 (2) the background of the key personnel associated with the applicant;

1 (3) the source and amounts of funds or other consideration to be used
2 in the acquisition;

3 (4) the applicant's compliance with federal law in carrying out the
4 acquisition;

5 (5) whether the applicant or the key personnel associated with the
6 applicant have violated any State or federal statutes regulating the activities of public
7 service companies;

8 (6) all documents relating to the transaction giving rise to the
9 application;

10 (7) the applicant's experience in operating public service companies
11 providing electricity;

12 (8) the applicant's plan for operating the public service company;

13 (9) how the acquisition will serve the customers of the public service
14 company in the public interest, convenience, and necessity; and

15 (10) any other information that the Commission may specify by
16 regulation or order.

17 **[(f)] (G)** (1) The Commission promptly shall:

18 (i) examine and investigate each application received under
19 this section; and

20 (ii) undertake any proceedings necessary or convenient to
21 review the application in accordance with Title 3 of this article and issue an order
22 concerning the acquisition.

23 (2) The Commission shall consider the following factors in considering
24 an acquisition under this section:

25 (i) the potential impact of the acquisition on rates and charges
26 paid by customers and on the services and conditions of operation of the public service
27 company;

28 (ii) the potential impact of the acquisition on continuing
29 investment needs for the maintenance of utility services, plant, and related
30 infrastructure;

31 (iii) the proposed capital structure that will result from the
32 acquisition, including allocation of earnings from the public service company;

1 (iv) the potential effects on employment by the public service
2 company;

3 (v) the projected allocation of any savings that are expected to
4 the public service company between stockholders and rate payers;

5 (vi) issues of reliability, quality of service, and quality of
6 customer service;

7 (vii) the potential impact of the acquisition on community
8 investment;

9 (viii) affiliate and cross-subsidization issues;

10 (ix) the use or pledge of utility assets for the benefit of an
11 affiliate;

12 (x) jurisdictional and choice-of-law issues; [and]

13 (xi) **WHETHER IT IS NECESSARY TO REVISE THE**
14 **COMMISSION'S RING FENCING AND CODE OF CONDUCT REGULATIONS IN LIGHT**
15 **OF THE ACQUISITION; AND**

16 (XII) any other issues the Commission considers relevant to the
17 assessment of acquisition in relation to the public interest, convenience, and necessity.

18 (3) (i) If the Commission finds that the acquisition is consistent
19 with the public interest, convenience, and necessity, including benefits and no harm to
20 consumers, the Commission shall issue an order granting the application.

21 (ii) The Commission may condition an order authorizing the
22 acquisition on the applicant's satisfactory performance or adherence to specific
23 requirements.

24 (4) If the Commission does not find that the acquisition is consistent
25 with the public interest, convenience, and necessity, including benefits and no harm to
26 consumers, the Commission shall issue an order denying the application.

27 (5) The applicant bears the burden of showing that granting the
28 acquisition is consistent with the public interest, convenience, and necessity, including
29 benefits and no harm to consumers.

30 (6) (I) **EXCEPT AS PROVIDED IN ITEM (II) OF THIS**
31 **SUBPARAGRAPH, THE COMMISSION SHALL ISSUE AN ORDER WITH RESPECT TO**
32 **THE APPLICATION NO LATER THAN 180 DAYS AFTER THE FILING OF THE**
33 **APPLICATION FOR AUTHORIZATION.**

1 **(II) UNLESS THE COMMISSION FINDS, BASED ON GOOD**
2 **CAUSE, THAT THE 180-DAY PERIOD SHOULD BE EXTENDED FOR AN ADDITIONAL**
3 **45 DAYS, FAILURE OF THE COMMISSION TO ISSUE AN ORDER WITHIN THE**
4 **180-DAY PERIOD SHALL BE CONSIDERED TO BE AN APPROVAL OF THE**
5 **ACQUISITION BY THE COMMISSION.**

6 **[(g)] (H)** Nothing in this section prohibits dissemination by any party of
7 information concerning the acquisition if the dissemination does not otherwise conflict
8 with federal or State law.

9 **Chapter 5 of the Acts of the Special Session of 2006, as amended by Chapter**
10 **549 of the Acts of 2007**

11 **[SECTION 5. AND BE IT FURTHER ENACTED, That:**

12 The Public Service Commission shall:

13 (1) conduct hearings, including the use of any necessary outside
14 experts and consultants, to reevaluate the general regulatory structure, agreements,
15 orders, and other prior actions of the Public Service Commission under the Electric
16 Customer Choice and Competition Act of 1999, including the determination of and
17 allowances for stranded costs;

18 (2) provide to residential customers of the Baltimore Gas and Electric
19 Company funds for mitigation of rate increases resulting from any adjustment, in
20 favor of those customers, to allowances for stranded costs for assets that were
21 transferred from Baltimore Gas and Electric Company to an affiliate; and

22 (3) require that any funds for mitigating rates for residential electric
23 customers under item (2) of this subsection must be in the form of a nonbypassable
24 credit on the customer's bill, and may not be recovered subsequently from those
25 customers in rates or otherwise.]

26 **Chapter 549 of the Acts of 2007**

27 **SECTION 2. AND BE IT FURTHER ENACTED, That:**

28 (a) (1) Notwithstanding the reporting dates established under [Section
29 5(b) and] Section 7(c) of Chapter 5 of the Acts of the General Assembly of the First
30 Special Session of 2006 prior to the amendment of those sections by this Act, the
31 Public Service Commission shall initiate new proceedings to review and evaluate the
32 requirements under [Section 5 and] Section 7 of Chapter 5 of the Acts of the General
33 Assembly of the First Special Session of 2006, as amended by this Act.

34 (3) The review and evaluation shall include any orders that were
35 issued by the Commission relating to the requirements of [Section 5 and] Section 7 of

1 Chapter 5 of the Acts of the General Assembly of the Special Session of 2006, prior to
2 the amendment of those sections by this Act and may include review and evaluation of
3 the open record for any case pending before the Commission relating to the
4 requirements of those sections.

5 **Chapter 5 of the Acts of the General Assembly of the Special Session of 2006**

6 SECTION 6. AND BE IT FURTHER ENACTED, That:

7 (a) Starting [January 1, 2007,] **JUNE 1, 2008**, the investor-owned electric
8 company incorporated in Maryland whose parent is involved in a merger on the
9 effective date of this Act shall determine and apply **THE FOLLOWING** residential
10 electric credits [totaling \$38,661,980 each year] **AND SUSPENSIONS** for [a period of 10
11 years] **THE SPECIFIED PERIODS** to the bills of all residential electric customers of the
12 electric company[.

13 (b) The credits shall be in the form of a nonbypassable credit or suspension
14 on a customer's bill, derived as follows]:

15 (1) for [a] **THE** period [of 10 years,] **BEGINNING JUNE 1, 2010,**
16 **UNTIL THE END OF DECEMBER 31, 2016**, the electric company shall [suspend the
17 collection of] **CEASE COLLECTING** the residential return component of the
18 administrative charge collected by the electric company for providing standard offer
19 service under § 7-510(c)(3) of the Public Utility Companies Article, which shall be
20 deemed an annual **CREDIT** value of \$20 million; [and]

21 (2) [for a period of 10 years,] **UNTIL THE END OF DECEMBER 31,**
22 **2016**, a credit of the \$18,661,980 annual nuclear decommissioning charge collected,
23 without otherwise disturbing the agreement approved by the Maryland Public Service
24 Commission in Order No. 75757, to be imputed as [deposits] **IF DEPOSITED** in the
25 Nuclear Decommissioning Trust Fund and to be credited against residential electric
26 customer bills; **AND**

27 (3) **A ONE-TIME TOTAL CREDIT OF \$187 MILLION TO BE DIVIDED**
28 **INTO EQUAL DOLLAR AMOUNTS AND CREDITED AGAINST RESIDENTIAL**
29 **ELECTRIC CUSTOMER BILLS NO LATER THAN DECEMBER 31, 2008.**

30 [(c)] (B) The **ANNUAL** nuclear decommissioning charge **OF \$18,661,980**
31 described in subsection [(b)(2)] (A)(2) of this section may not be altered during the
32 [10-year] period of the credit **DESCRIBED IN SUBSECTION (A)(2) OF THIS SECTION,**
33 **EXCEPT THAT FOR AMOUNTS COLLECTED AFTER JUNE 1, 2008, UNTIL THE END**
34 **OF DECEMBER 31, 2016, THE COMMISSION MAY AUTHORIZE A TRUE-UP BASED**
35 **ON ACTUAL SALES VOLUMES ON A PROSPECTIVE BASIS ONLY AS PART OF AN**
36 **ELECTRIC DISTRIBUTION BASE RATE CASE TO ENSURE THE ANNUAL**
37 **COLLECTION OF \$18,661,980.**

1 [(d)] (C) [residential] **THE RESIDENTIAL** electric customer credits **AND**
2 **SUSPENSIONS DESCRIBED IN THIS SECTION** may not be recovered through electric
3 rates.

4 **(D) AS LONG AS SUBSECTIONS (A)(1), (A)(2), (B), AND (E) OF THIS**
5 **SECTION REMAIN IN FULL FORCE AND EFFECT AND ARE IMPLEMENTED BY THE**
6 **COMMISSION IN ACCORDANCE WITH THEIR TERMS:**

7 **(1) RATEPAYERS MAY NOT BEAR ANY FINANCIAL OBLIGATION**
8 **WITH REGARD TO THE DECOMMISSIONING OF CALVERT CLIFFS NUCLEAR**
9 **POWER PLANT UNITS 1 AND 2 AND RELATED FACILITIES;**

10 **(2) RATEPAYERS SHALL BE DEEMED TO HAVE PAID \$520 MILLION**
11 **IN 1993 DOLLARS IN ACCORDANCE WITH THE AGREEMENT APPROVED BY THE**
12 **COMMISSION IN ORDER No. 75757; AND**

13 **(3) ALL NUCLEAR DECOMMISSIONING RIGHTS AND OBLIGATIONS**
14 **IN ACCORDANCE WITH THE AGREEMENT APPROVED BY THE COMMISSION IN**
15 **ORDER No. 75757 SHALL BE DEEMED FULLY EXTINGUISHED AND SATISFIED.**

16 **(E) THE RESIDENTIAL RETURN COMPONENT OF THE ADMINISTRATIVE**
17 **CHARGE FOR PROVIDING STANDARD OFFER SERVICE UNDER § 7-510(C)(3) OF**
18 **THE PUBLIC UTILITY COMPANIES ARTICLE SHALL BE IN ACCORDANCE WITH**
19 **ORDER No. 78400 FOR THE PERIOD JUNE 1, 2008, TO MAY 31, 2010.**

20 **(F) UNTIL NEW BASE RATES BECOME EFFECTIVE IN ACCORDANCE WITH**
21 **THE FIRST ELECTRIC DISTRIBUTION RATE CASE FOR AN INVESTOR-OWNED GAS**
22 **AND ELECTRIC COMPANY INCORPORATED IN THE STATE, EACH GAS AND**
23 **ELECTRIC COMPANY SHALL IMPLEMENT THE COMMISSION STAFF'S**
24 **RECOMMENDED DEPRECIATION ACCRUALS SET FORTH ON SCHEDULE A OF THE**
25 **SETTLEMENT AGREEMENT BY THE GAS AND ELECTRIC COMPANY AND THE**
26 **COMMISSION, AMONG OTHER PARTIES, DATED ON OR ABOUT APRIL 1, 2008.**

27 SECTION 2. AND BE IT FURTHER ENACTED, That the Public Service
28 Commission shall review its regulations regarding ring fencing and code of conduct for
29 electric companies, gas companies, and gas and electric companies operating in the
30 State.

31 SECTION 3. AND BE IT FURTHER ENACTED, That, notwithstanding the
32 provisions of Article 1, § 23 of the Annotated Code of Maryland, the provisions of this
33 Act are not severable, and if any provision of this Act or the application thereof to any
34 person or circumstance is held invalid for any reason in a court of competent
35 jurisdiction, no other provision or application of this Act may be given effect.

1 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 June 1, 2008.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.