

# SENATE BILL 1013

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8lr3525

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By: **Senator Middleton**

Constitutional Requirements Complied with for Introduction in the last 35 Days of Session

Introduced and read first time: March 26, 2008

Rules suspended

Assigned to: Finance

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Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: March 31, 2008

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## 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  
22 gas and electric company under certain circumstances; authorizing the  
23 Commission to order compliance with, and take certain actions authorized by,

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

43 BY repealing and reenacting, with amendments,  
44 Article – Public Utility Companies  
45 Section 3–109, 6–101(c), and 6–105  
46 Annotated Code of Maryland  
47 (1998 Volume and 2007 Supplement)

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

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

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

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

13 **Article – Public Utility Companies**

14 3–109.

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

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

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

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

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

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

34 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 ~~OF~~ 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**

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

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

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

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

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

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

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

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

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

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

- 1           (2)    the background of the key personnel associated with the applicant;
- 2           (3)    the source and amounts of funds or other consideration to be used  
3 in the acquisition;
- 4           (4)    the applicant's compliance with federal law in carrying out the  
5 acquisition;
- 6           (5)    whether the applicant or the key personnel associated with the  
7 applicant have violated any State or federal statutes regulating the activities of public  
8 service companies;
- 9           (6)    all documents relating to the transaction giving rise to the  
10 application;
- 11          (7)    the applicant's experience in operating public service companies  
12 providing electricity;
- 13          (8)    the applicant's plan for operating the public service company;
- 14          (9)    how the acquisition will serve the customers of the public service  
15 company in the public interest, convenience, and necessity; and
- 16          (10)   any other information that the Commission may specify by  
17 regulation or order.

- 18        **[(f)] (G)**   (1)    The Commission promptly shall:
- 19                   (i)    examine and investigate each application received under  
20 this section; and
- 21                   (ii)   undertake any proceedings necessary or convenient to  
22 review the application in accordance with Title 3 of this article and issue an order  
23 concerning the acquisition.
- 24          (2)    The Commission shall consider the following factors in considering  
25 an acquisition under this section:
- 26                   (i)    the potential impact of the acquisition on rates and charges  
27 paid by customers and on the services and conditions of operation of the public service  
28 company;
- 29                   (ii)   the potential impact of the acquisition on continuing  
30 investment needs for the maintenance of utility services, plant, and related  
31 infrastructure;

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

3 (iv) the potential effects on employment by the public service  
4 company;

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

7 (vi) issues of reliability, quality of service, and quality of  
8 customer service;

9 (vii) the potential impact of the acquisition on community  
10 investment;

11 (viii) affiliate and cross-subsidization issues;

12 (ix) the use or pledge of utility assets for the benefit of an  
13 affiliate;

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

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

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

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

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

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

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

32 (6) (I) **EXCEPT AS PROVIDED IN ITEM (II) OF THIS**  
33 **SUBPARAGRAPH, THE COMMISSION SHALL ISSUE AN ORDER WITH RESPECT TO**



1 THE APPLICATION NO LATER THAN 180 DAYS AFTER THE FILING OF THE  
2 APPLICATION FOR AUTHORIZATION.

3 (II) UNLESS THE COMMISSION FINDS, BASED ON GOOD  
4 CAUSE, THAT THE 180-DAY PERIOD SHOULD BE EXTENDED FOR AN ADDITIONAL  
5 45 DAYS, FAILURE OF THE COMMISSION TO ISSUE AN ORDER WITHIN THE  
6 180-DAY PERIOD SHALL BE CONSIDERED TO BE AN APPROVAL OF THE  
7 ACQUISITION BY THE COMMISSION.

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

11 Chapter 5 of the Acts of the Special Session of 2006, as amended by Chapter  
12 549 of the Acts of 2007

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

14 The Public Service Commission shall:

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

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

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

28 Chapter 549 of the Acts of 2007

29 SECTION 2. AND BE IT FURTHER ENACTED, That:

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

1           (3) The review and evaluation shall include any orders that were  
2 issued by the Commission relating to the requirements of [Section 5 and] Section 7 of  
3 Chapter 5 of the Acts of the General Assembly of the Special Session of 2006, prior to  
4 the amendment of those sections by this Act and may include review and evaluation of  
5 the open record for any case pending before the Commission relating to the  
6 requirements of those sections.

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

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

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

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

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

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

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

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

1 ELECTRIC DISTRIBUTION BASE RATE CASE TO ENSURE THE ANNUAL  
2 COLLECTION OF \$18,661,980.

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

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

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

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

15 (3) ALL NUCLEAR DECOMMISSIONING RIGHTS AND OBLIGATIONS  
16 IN ACCORDANCE WITH THE AGREEMENT APPROVED BY THE COMMISSION IN  
17 ORDER NO. 75757 SHALL BE DEEMED FULLY EXTINGUISHED AND SATISFIED.

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

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

29 SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any  
30 other law:

31 (1) any new electric generation facility constructed in the State after  
32 the effective date of this Act shall be owned by an electric company in the State and  
33 may not be owned by an electric supplier or an affiliate of an electric company in the  
34 State;

1           (2) power generated from an electric generation facility in the State  
 2 constructed after the effective date of this Act shall be first offered for sale to an  
 3 electric company in the State; and

4           (3) the Public Service Commission has jurisdiction over the sale of  
 5 power generated from an electric generation facility in the State constructed after the  
 6 effective date of this Act.

7           SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That the Public Service  
 8 Commission shall review its regulations regarding ring fencing and code of conduct for  
 9 electric companies, gas companies, and gas and electric companies operating in the  
 10 State.

11           SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That nothing in this Act  
 12 may be construed to limit the Public Service Commission's regulatory authority with  
 13 regard to the regulation of the Maryland electricity markets, customer choice,  
 14 standard offer service, rates, rate design, or codes of conduct.

15           SECTION ~~3~~ 4 ~~5~~. AND BE IT FURTHER ENACTED, That, notwithstanding  
 16 the provisions of Article 1, § 23 of the Annotated Code of Maryland, the provisions of  
 17 this Act are not severable, and if any provision of this Act or the application thereof to  
 18 any person or circumstance is held invalid for any reason in a court of competent  
 19 jurisdiction, no other provision or application of this Act may be given effect.

20           SECTION ~~4~~ 5 ~~6~~. AND BE IT FURTHER ENACTED, That this Act shall take  
 21 effect June 1, 2008.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.