

SENATE BILL 954

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9lr2310

By: **Senator Klausmeier**

Introduced and read first time: February 19, 2009

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Electric, Gas, or Gas and Electric Companies – Separation from Other**
3 **Businesses**

4 FOR the purpose of requiring the Public Service Commission to require functional,
5 operational, structural, and legal separation between an electric company's
6 regulated businesses, a certain parent company, and certain other nonregulated
7 businesses and affiliates by a certain date; providing for the construction of a
8 certain requirement; requiring the Commission to require functional,
9 operational, structural, and legal separation between a gas company's regulated
10 businesses, or a gas and electric company's regulated businesses, a certain
11 parent company, and certain other nonregulated businesses or affiliates;
12 providing for the construction of a certain requirement; and generally relating
13 to the separation between an electric company, gas company, or gas and electric
14 company's regulated businesses, any parent company, and certain other
15 nonregulated businesses and affiliates.

16 BY repealing and reenacting, with amendments,
17 Article – Public Utility Companies
18 Section 7–505(b)(10) and 7–604
19 Annotated Code of Maryland
20 (2008 Replacement Volume and 2008 Supplement)

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

23 **Article – Public Utility Companies**

24 7–505.

25 (b) (10) (i) On or before July 1, 2000, the Commission shall issue orders
26 or adopt regulations reasonably designed to ensure the creation of competitive

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 electricity supply and electricity supply services markets, with appropriate customer
2 safeguards.

3 (ii) On or before July 1, 2000, the Commission shall require:

4 1. an appropriate code of conduct between the electric
5 company and an affiliate providing electricity supply and electricity supply services in
6 the State;

7 2. access by electricity suppliers and customers to the
8 electric company's transmission and distribution system on a nondiscriminatory basis;

9 3. appropriate complaint and enforcement procedures;
10 and

11 4. any other safeguards deemed necessary by the
12 Commission to ensure the creation and maintenance of a competitive electricity supply
13 and electricity supply services market.

14 (iii) **1.** On or before [July 1, 2000] **JULY 1, 2010**, the
15 Commission shall require, among other factors, functional, operational, structural,
16 [or] **AND** legal separation between the electric company's regulated businesses, **ANY**
17 **PARENT COMPANY OF ITS REGULATED BUSINESSES**, and its nonregulated
18 businesses or nonregulated affiliates.

19 **2. THE SEPARATION REQUIRED UNDER**
20 **SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH SHALL BE CONSTRUED TO**
21 **PREVENT CROSS-SUBSIDIZATION BETWEEN THE ELECTRIC COMPANY'S**
22 **REGULATED BUSINESSES, ANY PARENT COMPANY OF ITS REGULATED**
23 **BUSINESSES, AND ITS NONREGULATED BUSINESSES OR NONREGULATED**
24 **AFFILIATES.**

25 7-604.

26 (a) On or before July 1, 2001, the Commission shall adopt consumer
27 protection orders or regulations for gas suppliers that:

28 (1) protect consumers from discriminatory, unfair, deceptive, and
29 anticompetitive acts and practices in the marketing, selling, or distributing of natural
30 gas;

31 (2) provide for contracting, enrollment, and billing practices and
32 procedures; and

33 (3) the Commission considers necessary to protect the consumer.

1 (b) In adopting orders and regulations under this section, unless the
2 Commission determines that the circumstances do not require consistency, the
3 Commission shall:

4 (1) provide customers with protections consistent with applicable
5 protections provided to retail electric customers; and

6 (2) impose appropriate requirements on gas suppliers that are
7 consistent with applicable requirements imposed on electricity suppliers.

8 (c) **(1) ON OR BEFORE JULY 1, 2010, THE COMMISSION SHALL**
9 **REQUIRE, AMONG OTHER FACTORS, FUNCTIONAL, OPERATIONAL, STRUCTURAL,**
10 **AND LEGAL SEPARATION BETWEEN A GAS COMPANY'S REGULATED BUSINESSES,**
11 **OR A GAS AND ELECTRIC COMPANY'S REGULATED BUSINESSES, ANY PARENT**
12 **COMPANY OF ITS REGULATED BUSINESSES, AND ITS NONREGULATED**
13 **BUSINESSES OR NONREGULATED AFFILIATES.**

14 **(2) THE SEPARATION REQUIRED UNDER PARAGRAPH (1) OF THIS**
15 **SUBSECTION SHALL BE CONSTRUED TO PREVENT CROSS-SUBSIDIZATION**
16 **BETWEEN THE ELECTRIC COMPANY'S REGULATED BUSINESSES, ANY PARENT**
17 **COMPANY OF ITS REGULATED BUSINESSES, AND ITS NONREGULATED**
18 **BUSINESSES OR NONREGULATED AFFILIATES.**

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 October 1, 2009.