

# HOUSE BILL 770

C5

~~EMERGENCY BILL~~

2lr0780

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By: **Delegate Davis**

Introduced and read first time: February 9, 2012

Assigned to: Economic Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 19, 2012

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Public Service Commission – Electric Companies – New Generation Facilities**  
3 **and Customer Credits**

4 FOR the purpose of ~~providing that the Public Service Commission may not require a~~  
5 ~~certain electric company to construct, acquire, or lease, and operate, its own~~  
6 ~~generating facilities and certain transmission facilities;~~ providing that if a  
7 certain party to a merger or acquisition of an electric company or an affiliate of  
8 an electric company is required to distribute a credit to certain customers under  
9 an agreement with the Commission, the party or electric company may not pay  
10 the credit directly to the customers but shall deposit the amount of the credit in  
11 the electric universal service program fund to be disbursed in a certain manner;  
12 ~~providing for the application of certain provisions of this Act; making this Act~~  
13 ~~an emergency measure;~~ and generally relating to new electric generating  
14 facilities and electric customer credits.

15 ~~BY repealing and reenacting, with amendments,~~  
16 ~~Article – Public Utilities~~  
17 ~~Section 7–510(e)(6)~~  
18 ~~Annotated Code of Maryland~~  
19 ~~(2010 Replacement Volume and 2011 Supplement)~~

20 BY repealing and reenacting, without amendments,  
21 Article – Public Utilities  
22 Section 7–512.1(e) and (f)  
23 Annotated Code of Maryland

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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 (2010 Replacement Volume and 2011 Supplement)

2 BY adding to

3 Article – Public Utilities

4 Section 7–512.1(g)

5 Annotated Code of Maryland

6 (2010 Replacement Volume and 2011 Supplement)

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

9 ~~Article – Public Utilities~~

10 ~~7–510.~~

11 ~~(e) (6) In order to meet long term, anticipated demand in the State for~~  
12 ~~standard offer service and other electricity supply, the Commission may [require or]~~  
13 ~~allow an investor owned electric company to construct, acquire, or lease, and operate,~~  
14 ~~its own generating facilities, and transmission facilities necessary to interconnect the~~  
15 ~~generating facilities with the electric grid, subject to appropriate cost recovery.~~

16 ~~SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland~~  
17 ~~read as follows:~~

18 ~~Article – Public Utilities~~

19 ~~7–512.1.~~

20 (e) The total amount of funds to be collected for the electric universal service  
21 program each year shall be \$37 million, allocated in the following manner:

22 (1) \$27.4 million shall be collected from the industrial and commercial  
23 classes; and

24 (2) \$9.6 million shall be collected from the residential class.

25 (f) (1) In this subsection, “fund” means the electric universal service  
26 program fund.

27 (2) There is an electric universal service program fund.

28 (3) (i) 1. The Comptroller shall collect the revenue collected by  
29 electric companies under subsection (b) of this section and place the revenue into the  
30 fund.

31 2. The General Assembly may appropriate funds  
32 supplemental to the funds collected under subparagraph 1 of this subparagraph.

1 (ii) The fund is a continuing, nonlapsing fund that is not subject  
2 to § 7-302 of the State Finance and Procurement Article.

3 (iii) The purpose of the fund is to assist electric customers as  
4 provided in subsection (a)(1) of this section.

5 (4) The Department of Human Resources, with oversight by the  
6 Commission, shall disburse the bill assistance and arrearage retirement funds in  
7 accordance with the provisions of this section.

8 (5) The Comptroller annually shall disburse up to \$1,000,000 of  
9 low-income residential weatherization funds to the Department of Housing and  
10 Community Development, as provided in the State budget.

11 (6) (i) At the end of a given fiscal year, any unexpended bill  
12 assistance and arrearage retirement funds that were collected for that fiscal year shall  
13 be retained in the fund and shall be made available for disbursement through the first  
14 6 months of the next fiscal year to customers who:

15 1. qualify for assistance from the fund during the given  
16 fiscal year;

17 2. apply for assistance from the fund before the end of  
18 the given fiscal year; and

19 3. remain eligible for assistance at the time services are  
20 provided.

21 (ii) If the Commission determines that an extension is needed,  
22 the Commission may extend up to an additional 3 months the period in which  
23 unexpended bill assistance and arrearage retirement funds may be made available for  
24 disbursement under subparagraph (i) of this paragraph.

25 (iii) Any bill assistance and arrearage retirement funds collected  
26 for a given fiscal year that are retained under subparagraph (i) of this paragraph and  
27 that remain unexpended at the end of the period allowed under subparagraphs (i) and  
28 (ii) of this paragraph shall be returned to each customer class in the proportion that  
29 the customer class contributed charges to the fund for the given fiscal year in the form  
30 of a credit toward the charge assessed in the following fiscal year.

31 **(G) (1) IF A PARTY TO A MERGER OR ACQUISITION OF AN ELECTRIC**  
32 **COMPANY OR AN AFFILIATE OF AN ELECTRIC COMPANY IS REQUIRED TO**  
33 **DISTRIBUTE A CREDIT TO THE CUSTOMERS IN THE ELECTRIC COMPANY'S**  
34 **SERVICE TERRITORY UNDER AN AGREEMENT WITH THE COMMISSION IN**  
35 **CONNECTION WITH THE MERGER OR ACQUISITION, THE PARTY OR THE**

1 ELECTRIC COMPANY MAY NOT PAY THE CREDIT DIRECTLY TO THE CUSTOMERS  
 2 BUT SHALL DEPOSIT THE ENTIRE AMOUNT OF THE CREDIT IN THE ELECTRIC  
 3 UNIVERSAL SERVICE PROGRAM FUND TO BE DISBURSED IN A MANNER  
 4 APPROVED BY THE COMMISSION.

5 (2) THE FUNDS DEPOSITED INTO THE ELECTRIC UNIVERSAL  
 6 SERVICE PROGRAM FUND UNDER THIS SECTION ARE IN ADDITION TO, AND MAY  
 7 NOT SUBSTITUTE FOR, FUNDS COLLECTED UNDER SUBSECTION (E) OF THIS  
 8 SECTION.

9 ~~SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall~~  
 10 ~~be construed to apply retroactively and shall be applied to and interpreted to affect the~~  
 11 ~~distribution of any credit required under an agreement with the Public Service~~  
 12 ~~Commission and a party to a merger or acquisition of an electric company or an~~  
 13 ~~affiliate of an electric company that occurs on or after January 1, 2011.~~

14 ~~SECTION 4. 2. AND BE IT FURTHER ENACTED, That this Act is an~~  
 15 ~~emergency measure, is necessary for the immediate preservation of the public health~~  
 16 ~~or safety, has been passed by a yea and nay vote supported by three fifths of all the~~  
 17 ~~members elected to each of the two Houses of the General Assembly, and shall take~~  
 18 ~~effect from the date it is enacted shall take effect June 1, 2012.~~

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.