

ATTACHMENT L

SENATE BILL 300

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1999 Regular Session
(9r1907)

ENROLLED BILL
-- Finance/Environmental Matters --

Introduced by **Senators Miller and Bromwell**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Electric Utility Industry Restructuring**

3 FOR the purpose of enabling the restructuring of the electric utility industry of the
4 State in a certain manner, subject to oversight of the Public Service Commission;
5 stating the findings and declaration of intent of the General Assembly; requiring
6 the Commission to require certain consumer education programs, customer
7 information, nondiscrimination policies, and operational requirements;
8 requiring the Commission, in consultation with the Maryland Energy
9 Administration to report by a certain date on certain programs; requiring the
10 Commission to issue certain orders or adopt certain regulations before the
11 implementation of customer choice; prohibiting the disclosure of certain
12 information; prohibiting certain actions by electricity suppliers; providing that
13 this Act may not be construed as preventing the application of certain protections
14 and laws; requiring certain electric companies to provide certain information to
15 the Department of the Environment and the Commission by a certain date;
16 requiring the Department of the Environment, in consultation with the
17 Commission, to study a certain environmental surcharge under certain

1 circumstances; requiring the Commission, in consultation with the Department
2 of the Environment, to adopt certain measures regarding certain environmental
3 programs; requiring the Commission to reduce certain rates for a certain time
4 under certain circumstances; requiring the Commission to consult with the
5 Consumer Protection Division of the Office of the Attorney General before issuing
6 certain regulations; allowing municipal electric utilities to elect to make their
7 service territory available for customer choice; requiring municipal electric
8 utilities to file a certain plan and report by a certain date on a certain status;
9 providing that certain persons may not engage in the business of competitive
10 billing services in certain local jurisdictions unless the person holds a certain
11 license; providing for certain licensure requirements; prohibiting the recovery of
12 consumer education costs under certain circumstances; requiring the
13 Commission to establish a certain universal service program; requiring all
14 customers of electric companies in the State to contribute to the funding of a
15 universal service program; requiring the Commission to report on a universal
16 service program and make a certain recommendation; providing for certain
17 funding of a universal service program; requiring certain actions by the General
18 Assembly regarding certain funding of the universal service program; requiring
19 the Commission to consider certain evidence in determining certain costs or
20 benefits; requiring the Commission to cooperate with and share information with
21 the Antitrust Division of the Office of the Attorney General; requiring certain
22 electric companies to continue purchasing electricity under certain contracts
23 under certain circumstances; prohibiting electricity suppliers and electric
24 companies from terminating certain customers under certain circumstances;
25 requiring the Commission, in consultation with the Maryland Energy
26 Administration, to report by a certain date on the feasibility of requiring a
27 certain renewable portfolio standard; altering the imposition of the
28 environmental surcharge to certain customers; extending the termination date of
29 a certain surcharge; authorizing the Governor to submit a certain budget
30 amendment from the Revenue Stabilization Fund to be used for certain
31 education purposes; requiring the Commission to use certain funds during a
32 certain period to implement a certain program; requiring the Commission to
33 report by a certain date on a certain recommended consumer education funding
34 level for a certain time; providing for the implementation of standard offer service
35 in a certain manner; prohibiting the Commission from requiring divestiture of
36 certain assets; requiring the Commission to ensure the creation of certain
37 competitive electricity services in a certain manner; allowing the Commission to
38 adopt alternative forms of regulation for certain regulated services; requiring the
39 Commission to limit certain rates for a certain period; requiring an electric
40 company to provide certain services in certain territory; requiring certain persons
41 to be licensed by the Commission before providing electricity supply services in
42 the State, subject to certain requirements and enforcement mechanisms; allowing
43 an electric company to transfer or sell certain generation facilities or assets in a
44 certain manner, subject to certain review by the Commission for certain purposes;
45 providing for the opportunity to recover certain costs by certain means and
46 secured or obtained in certain manners; requiring the phased implementation of
47 customer choice for electric customers in the State in a certain manner by certain
48 dates, subject to Commission determination and certain contingencies;

1 establishing the obligation of an electric company to serve customers after a
 2 certain date; requiring the implementation of competitive metering and billing on
 3 certain dates; providing for investigation of market power in certain manners,
 4 subject to certain remedial action by the Commission; altering the class of entities
 5 that contribute to the costs and expenses of the Commission; providing for
 6 reciprocity of customer choice with respect to certain other jurisdictions;
 7 providing for certain long-range planning for certain regulated utility services;
 8 requiring certain tariff and rate filings for certain regulated utility services;
 9 eliminating a certain required plan on the State's generating needs; altering
 10 certain criteria for obtaining a certificate of public convenience and necessity for
 11 a generating station; requiring certain electric companies to maintain certain
 12 percentages of renewable energy resources under certain circumstances; requiring
 13 the Secretary of Natural Resources to use certain funds for certain purposes;
 14 providing that certain provisions of the Uniform Commercial Code do not apply
 15 to certain property; providing for the adoption of certain regulations; defining
 16 certain terms; providing that provisions of this Act are severable; providing for
 17 the effective dates of this Act; and generally relating to restructuring of the
 18 electric utility industry.

19 BY repealing and reenacting, with amendments,

20 Article - Public Utility Companies

21 Section 1-101, 2-110, 2-118, 4-201, 4-202, 7-201, 7-203, 7-207, and 7-211

22 Annotated Code of Maryland

23 (1998 Volume)

24 BY adding to

25 Article - Public Utility Companies

26 Section 7-501 through 7-518, inclusive, to be under the new subtitle "Subtitle 5.

27 Electric Industry Restructuring"

28 Annotated Code of Maryland

29 (1998 Volume)

30 BY repealing and reenacting, with amendments,

31 Article - Commercial Law

32 Section 9-104(m)

33 Annotated Code of Maryland

34 (1997 Replacement Volume and 1998 Supplement)

35 BY adding to

36 Article - Commercial Law

37 Section 9-104(n)

38 Annotated Code of Maryland

39 (1997 Replacement Volume and 1998 Supplement)

40 BY repealing

1 Article - Public Utility Companies
 2 Section 4-403
 3 Annotated Code of Maryland
 4 (1998 Volume)

5 BY repealing and reenacting, with amendments,

6 Article - Natural Resources
 7 Section 3-302
 8 Annotated Code of Maryland
 9 (1997 Replacement Volume and 1998 Supplement)

10 ~~FOR the purpose of enabling the restructuring of the electric utility industry of the~~
 11 ~~State in a certain manner, subject to oversight of the Public Service~~
 12 ~~Commission; stating the findings and declaration of intent of the General~~
 13 ~~Assembly; allowing requiring the Commission to require certain consumer~~
 14 ~~education programs, universal programs customer information,~~
 15 ~~nondiscrimination policies, and operational requirements; requiring the~~
 16 ~~Commission, in consultation with the Maryland Energy Administration to~~
 17 ~~report by a certain date on certain programs; requiring the Commission to issue~~
 18 ~~certain orders or adopt certain regulations before the implementation of~~
 19 ~~customer choice; prohibiting the disclosure of certain information; prohibiting~~
 20 ~~certain actions by electricity suppliers; providing that this Act may not be~~
 21 ~~construed as preventing the application of certain protections and laws;~~
 22 ~~requiring the Commission, in consultation with the Department of~~
 23 ~~Environment, to adopt certain measures regarding certain environmental~~
 24 ~~programs; requiring the Commission to reduce certain rates for a certain time~~
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 26 ~~Consumer Protection Division of the Office of the Attorney General before~~
 27 ~~issuing certain regulations; allowing municipal electric utilities to elect to make~~
 28 ~~their service territory available for customer choice; requiring municipal electric~~
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 32 ~~license; providing for certain licensure requirements; prohibiting the recovery of~~
 33 ~~consumer education costs under certain circumstances; requiring the~~
 34 ~~Commission to establish a certain universal service program; requiring all~~
 35 ~~customers of electric companies in the State to contribute to the funding of a~~
 36 ~~universal service program; requiring the Commission to report on a universal~~
 37 ~~service program and make a certain recommendation; providing for certain~~
 38 ~~funding of a universal service program; requiring certain actions by the General~~
 39 ~~Assembly regarding certain funding of the universal service program; requiring~~
 40 ~~the Commission to consider certain evidence in determining certain costs or~~
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 45 ~~electric companies from terminating certain customers under certain~~

1 ~~circumstances; requiring the Commission, in consultation with the Maryland~~
 2 ~~Energy Administration, to report by a certain date on the feasibility of requiring~~
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 20 ~~transfer or sell certain generation facilities or assets in a certain manner;~~
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 22 ~~the opportunity to recover certain costs by certain means and secured or~~
 23 ~~obtained in certain manners; requiring the phased implementation of customer~~
 24 ~~choice for electric customers in the State in a certain manner by certain dates;~~
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 26 ~~the obligation of an electric company to serve customers after a certain date;~~
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 28 ~~dates; providing for investigation of market power in certain manners, subject to~~
 29 ~~certain remedial action by the Commission; providing for reciprocity of customer~~
 30 ~~choice with respect to certain other jurisdictions; providing for certain~~
 31 ~~long-range planning for certain regulated utility services only; requiring certain~~
 32 ~~tariff and rate filings for certain regulated utility services only; eliminating a~~
 33 ~~certain required plan on the State's generating needs; altering certain criteria~~
 34 ~~for obtaining a certificate of public convenience and necessity for a generating~~
 35 ~~station; requiring the Secretary of Natural Resources to use certain funds for~~
 36 ~~certain purposes; providing that certain provisions of the Uniform Commercial~~
 37 ~~Code do not apply to certain property; providing for the adoption of certain~~
 38 ~~regulations; defining certain terms; providing that provisions of this Act are~~
 39 ~~severable; providing for the effective date of a portion of this Act; and generally~~
 40 ~~relating to restructuring of the electric utility industry.~~

41 ~~BY repealing and reenacting, with amendments;~~
 42 ~~Article - Public Utility Companies~~
 43 ~~Section 1-101, 2-118, 4-201, 4-202, 7-201, and 7-207 7-203, 7-207, and 7-211~~
 44 ~~Annotated Code of Maryland~~
 45 ~~(1998 Volume)~~

46 ~~BY adding to~~

1 Article—Public Utility Companies
 2 Section 7-501 through 7-518, inclusive, to be under the new subtitle "Subtitle 5:
 3 Electric Industry Restructuring"
 4 Annotated Code of Maryland
 5 (1998 Volume)

6 BY adding to
 7 Article—Natural Resources
 8 Section 3-308
 9 Annotated Code of Maryland
 10 (1997 Replacement Volume and 1998 Supplement)

11 BY repealing and reenacting, with amendments,
 12 Article—Commercial Law
 13 Section 9-104(m)
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21 BY repealing
 22 Article—Public Utility Companies
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 25 (1998 Volume)

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 30 (1997 Replacement Volume and 1998 Supplement)

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

33 Article - Public Utility Companies

34 1-101.

35 (a) In this article the following words have the meanings indicated.

1 (B) (1) "AGGREGATOR" MEANS AN ENTITY OR AN INDIVIDUAL THAT ACTS
2 ON BEHALF OF A CUSTOMER TO PURCHASE ELECTRICITY.

3 (2) "AGGREGATOR" DOES NOT INCLUDE:

4 (I) AN ENTITY OR INDIVIDUAL THAT PURCHASES ELECTRICITY
5 FOR ITS OWN USE OR FOR THE USE OF ITS SUBSIDIARIES OR AFFILIATES;

6 (II) A MUNICIPAL ELECTRIC UTILITY SERVING ONLY IN ITS
7 DISTRIBUTION TERRITORY; OR

8 (III) A COMBINATION OF GOVERNMENTAL UNITS THAT PURCHASES
9 ELECTRICITY FOR USE BY THE GOVERNMENTAL UNITS.

10 (C) "BROKER" MEANS AN ENTITY OR INDIVIDUAL THAT ACTS AS AN AGENT OR
11 INTERMEDIARY IN THE SALE AND PURCHASE OF ELECTRICITY BUT DOES NOT TAKE
12 TITLE TO ELECTRICITY.

13 {(b)} (D) "Commission" means the Public Service Commission.

14 [(c)] (E) (1) "Common carrier" means a person, public authority, or federal,
15 State, district, or municipal transportation unit that is engaged in the public
16 transportation of persons for hire, by land, water, air, or any combination of them.

17 (2) "Common carrier" includes:

18 (i) an airline company;

19 (ii) a car company, motor vehicle company, automobile company, or
20 motor bus company;

21 (iii) a power boat company, vessel-boat company, steamboat
22 company, or ferry company;

23 (iv) a railroad company, street railroad company, or sleeping car
24 company;

25 (v) a taxicab company;

26 (vi) a toll bridge company; and

27 (vii) a transit company.

28 (3) "Common carrier" does not include:

29 (i) a county revenue authority;

30 (ii) a toll bridge or other facility owned and operated by a county
31 revenue authority; or

32 (iii) a vanpool or launch service.

1 [(d)] (F) "Company", as a designation for a type of enterprise, includes a person
 2 that owns a company individually or as an agent, trustee, or receiver of a company.

3 [(e)] (G) "County" means a county of the State or Baltimore City.

4 [(f)] (H) (1) "Electric company" means a [public service company that:

5 (i) owns an electric plant and transmits, sells, or distributes
 6 electricity;

7 (ii) generates electricity for distribution or sale; or

8 (iii) is authorized to install or maintain facilities in, over, or under
 9 streets for furnishing or distributing electricity.

10 (2) "Electric company" includes a municipal corporation that is in the
 11 business of supplying electricity for other than municipal purposes] PERSON WHO
 12 PHYSICALLY TRANSMITS OR DISTRIBUTES ELECTRICITY IN THE STATE TO A RETAIL
 13 ELECTRIC CUSTOMER.

14 [(3)] (2) "Electric company" does not include [a company that generates
 15 or transmits electricity exclusively for its own use];

16 (I) THE FOLLOWING PERSONS WHO SUPPLY ELECTRICITY AND
 17 ELECTRICITY SUPPLY SERVICES SOLELY TO OCCUPANTS OF A BUILDING FOR USE BY
 18 THE OCCUPANTS:

19 1. AN OWNER/OPERATOR WHO HOLDS OWNERSHIP IN AND
 20 MANAGES THE INTERNAL DISTRIBUTION SYSTEM SERVING THE BUILDING; OR

21 2. A LESSEE/OPERATOR WHO HOLDS A LEASEHOLD
 22 INTEREST IN AND MANAGES THE INTERNAL DISTRIBUTION SYSTEM SERVING THE
 23 BUILDING;

24 (II) ANY PERSON WHO GENERATES ON-SITE GENERATED
 25 ELECTRICITY; OR

26 (III) A PERSON WHO TRANSMITS OR DISTRIBUTES ELECTRICITY
 27 WITHIN A SITE OWNED BY THE PERSON OR THE PERSON'S AFFILIATE THAT IS
 28 INCIDENTAL TO A PRIMARILY LANDLORD-TENANT RELATIONSHIP.

29 [(g)] (I) "Electric plant" means the material, equipment, and property owned
 30 by an electric company and used or to be used for or in connection with electric service.

31 (J) (1) "ELECTRICITY SUPPLIER" MEANS A PERSON:

32 (I) WHO SELLS:

33 1. ELECTRICITY;

34 2. ELECTRICITY SUPPLY SERVICES;

1 (3) that supplies the ultimate consumer, who purchases the gas directly
 2 through a meter or by other means, such as by rent.

3 [(i)] (M) "Gas plant" means the material, equipment, and property owned by a
 4 gas company and used or to be used for or in connection with gas service.

5 [(k)] (N) "Launch service" means a power boat company that transports
 6 passengers or freight between the shore and vessels on a body of water in the State.

7 (O) "MARKETER" MEANS A PERSON WHO PURCHASES AND TAKES TITLE TO
 8 ELECTRICITY AS AN INTERMEDIARY FOR SALE TO A CUSTOMER.

9 (P) "MUNICIPAL ELECTRIC UTILITY" MEANS A MUNICIPAL CORPORATION, OR
 10 A DIVISION OF A MUNICIPAL CORPORATION, THAT IS IN THE BUSINESS OF
 11 TRANSMITTING OR DISTRIBUTING ELECTRICITY FOR PURPOSES OTHER THAN END
 12 USE BY THE MUNICIPAL CORPORATION.

13 (Q) "ON-SITE GENERATED ELECTRICITY" MEANS ELECTRICITY THAT:

14 (1) IS NOT TRANSMITTED OR DISTRIBUTED OVER AN ELECTRIC
 15 COMPANY'S TRANSMISSION OR DISTRIBUTION SYSTEM; AND

16 (2) IS GENERATED AT A FACILITY OWNED OR OPERATED BY AN
 17 ELECTRIC CUSTOMER OR OPERATED BY A DESIGNEE OF THE OWNER WHO, WITH THE
 18 OTHER TENANTS OF THE FACILITY, CONSUMES AT LEAST 80% OF THE POWER
 19 GENERATED BY THE FACILITY EACH YEAR.

20 [(l)] (R) "Own" includes own, operate, lease to or from, manage, or
 21 control.

22 [(m)] (S) "Person" means an individual, receiver, trustee, guardian, personal
 23 representative, fiduciary, or representative of any kind and any partnership, firm,
 24 association, corporation, or other entity.

25 [(n)] (T) "Plant" includes all material, equipment, and property owned by a
 26 public service company and used or to be used for or in connection with a public utility
 27 service.

28 [(o)] (U) "Proceeding" includes an action, complaint, hearing, investigation,
 29 trial, appeal, order, or similar matter pending before, made, or conducted by an official
 30 body.

31 [(p)] (V) "Public service company" means a common carrier company, electric
 32 company, gas company, sewage disposal company, steam heating company, telegraph
 33 company, telephone company, water company, or any combination of public service
 34 companies.

35 [(q)] (W) (J) "Railroad" means a common carrier by rail powered in any
 36 manner.

1 (2) "Railroad" includes material, equipment, and property used on or in
2 connection with a railroad.

3 ~~[(r)]~~ (X) (1) "Rate" means a toll, fare, tariff, fee, price, or other charge, or a
4 combination of these items, by a public service company for public utility service.

5 (2) "Rate" includes a schedule, regulation, classification, or practice of a
6 public service company that affects:

7 (i) the amount of a charge; or

8 (ii) the nature and value of the service rendered for the charge.

9 ~~[(s)]~~ (Y) (1) "Record" means the original or a copy of any documentary
10 material.

11 (2) "Record" includes an account, book, chart, contract, document, file,
12 map, paper, profile, report, or schedule.

13 (Z) "RENEWABLE ENERGY RESOURCE" MEANS ONE OR MORE OF THE
14 FOLLOWING SOURCES OF ENERGY, ENERGY TECHNOLOGY, OR RELATED CREDIT:

15 (1) SOLAR;

16 (2) WIND;

17 (3) TIDAL;

18 (4) GEOHERMAL;

19 (5) BIOMASS, INCLUDING WASTE-TO-ENERGY AND LANDFILL GAS
20 RECOVERY;

21 (6) HYDROELECTRIC FACILITIES;

22 (7) DIGESTER GAS; AND

23 (8) A MANUFACTURING OR COMMERCIAL WASTE-TO-ENERGY SYSTEM
24 OR FACILITY.

25 (AA) (1) "RETAIL ELECTRIC CUSTOMER" MEANS A PURCHASER OF
26 ELECTRICITY FOR END USE IN THE STATE.

27 (2) "RETAIL ELECTRIC CUSTOMER" EXCLUDES:

28 (1) AN OCCUPANT OF A BUILDING IN WHICH THE
29 OWNER/OPERATOR OR LESSEE/OPERATOR MANAGES THE INTERNAL DISTRIBUTION
30 SYSTEM SERVING THE BUILDING AND SUPPLIES ELECTRICITY AND ELECTRICITY
31 SUPPLY SERVICES SOLELY TO OCCUPANTS OF THE BUILDING FOR USE BY THE
32 OCCUPANTS; AND

1 (II) A PERSON WHO GENERATES ON-SITE GENERATED
 2 ELECTRICITY, TO THE EXTENT THE ON-SITE GENERATED ELECTRICITY IS
 3 CONSUMED BY THAT PERSON OR ITS TENANTS.

4 [(t)] (BB) "Sewage disposal company" means a privately-owned public service
 5 company that owns or maintains facilities for the disposal of sewage.

6 [(u)] (CC) "Small rural electric cooperative" means an electric company that:

7 (1) serves only the consumers that exclusively own and control the
 8 company;

9 (2) conducts its business on a not-for-profit basis; and

10 (3) supplies electricity to less than 1,000 electric meters in the State.

11 [(v)] (DD) "State" means:

12 (1) a state, possession, territory, or commonwealth of the United States; or

13 (2) the District of Columbia.

14 [(w)] (EE) "Steam heating company" means a public service company that
 15 manufactures, sells, or distributes steam for use, sale, or distribution.

16 [(x)] (FF) "Street railroad" means a railroad:

17 (1) that is not part of a trunk line railway system; and

18 (2) whose routes are mainly within Baltimore City or a municipal
 19 corporation with a population of at least 2,000.

20 [(y)] (GG) (1) "Taxicab" means a motor vehicle for hire that:

21 (i) is designed to carry seven or fewer individuals, including the
 22 driver; and

23 (ii) is used to accept or solicit passengers for transportation between
 24 points along public streets as the passengers request.

25 (2) "Taxicab" does not include a motor vehicle operated on a regular
 26 schedule and between fixed points with the approval of the Commission as defined in
 27 Title 11 of the Transportation Article.

28 [(z)] (HH) "Telegraph company" means a public service company that:

29 (1) owns telegraph lines to receive, transmit, or communicate telegraphic
 30 communications; or

31 (2) leases, licenses, or sells telegraphic communications.

1 [(aa)] (II) "Telegraph lines" means the material, equipment, and property owned
 2 by a telegraph company and used or to be used for or in connection with telegraph
 3 service.

4 [(bb)] (JJ) (1) "Telephone company" means a public service company that:

5 (i) owns telephone lines to receive, transmit, or communicate
 6 telephone or teletype communications; or

7 (ii) leases, licenses, or sells telephone or teletype communications.

8 (2) "Telephone company" does not include a cellular telephone company.

9 [(cc)] (KK) "Telephone lines" means the material, equipment, and property owned
 10 by a telephone company and used or to be used for or in connection with telephone
 11 service.

12 [(dd)] (LL) "Toll bridge" means a bridge operated by a person authorized by the
 13 Commission to charge and collect toll from traffic using the bridge.

14 [(ee)] (MM) (1) "Transportation of persons for hire" means the transportation of
 15 persons by:

16 (i) regularly scheduled operations;

17 (ii) charter or contract operations; or

18 (iii) tour or sightseeing operations.

19 (2) "Transportation of persons for hire" includes the transportation of
 20 persons, whether on the cooperative plan, carried by a corporation, group, or
 21 association engaged in the transportation of its stockholders, shareholders, or
 22 members.

23 [(ff)] (NN) "Water company" means a public service company that owns a water
 24 plant and sells or distributes water for gain.

25 [(gg)] (OO) "Water plant" means the material, equipment, and property owned by
 26 a water company and used or to be used for or in connection with water service.

27 2-110.

28 (A) IN THIS SECTION, "PUBLIC SERVICE COMPANY" INCLUDES AN
 29 ELECTRICITY SUPPLIER AS DEFINED IN § 1-101 OF THIS ARTICLE.

30 [(a)] (B) (1) (i) Subject to paragraphs (2) and (3) of this subsection, the
 31 costs and expenses of the Commission shall be borne by the public service companies
 32 that are subject to the Commission's jurisdiction.

33 (ii) The costs and expenses shall be assessed as provided in this
 34 section.

1 (2) An appropriation for the costs and expenses of the Commission shall
2 be included in the State budget and paid from the State treasury.

3 (3) The State treasury shall be reimbursed from the money collected
4 under this section.

5 ~~[(b)]~~ (C) (1) (i) Before each State fiscal year, the Chairman of the Commission
6 shall estimate the Commission's total costs and expenses, including:

7 1. the compensation and expenses of the Commission, its
8 officers, agents, and personnel;

9 2. the cost of retirement contributions, Social Security, health
10 insurance, and other benefits required to be paid by the State for the personnel of the
11 Commission;

12 3. all other maintenance and operation expenses; and

13 4. all other direct and indirect costs.

14 (ii) The estimate shall exclude the costs of maintaining testing
15 equipment reimbursable under § 2-111(a) of this subtitle.

16 (2) Based on the estimate, the Chairman shall determine the amount to be
17 paid by each public service company.

18 (3) The Commission shall send a bill to each public service company on or
19 before May 1st of each year.

20 (4) The bill shall equal the product of:

21 (i) the estimated total costs and expenses of the Commission during
22 the next fiscal year; multiplied by

23 (ii) the ratio of the gross operating revenues for the public service
24 company derived from intrastate utility AND ELECTRICITY SUPPLIER operations in
25 the preceding calendar year, or other 12-month period as the Chairman determines, to
26 the total of the gross operating revenues derived from intrastate utility AND
27 ELECTRICITY SUPPLIER operations for all public service companies that are billed
28 under this section over that period.

29 (5) The minimum bill for a public service company shall be \$10.

30 (6) The public service company:

31 (i) shall pay the bill on or before the next July 15th; or

32 (ii) may elect to make partial payments on the 15th days of July,
33 October, January, and April.

1 (7) A partial payment shall equal 25% of the bill and may not be less than
2 \$10.

3 (8) During any State fiscal year, the Chairman may change the estimate
4 of costs and expenses of the Commission.

5 (9) (i) If the estimate is changed, the Commission shall send a revised
6 bill to each public service company that has elected to make partial payments.

7 (ii) The change shall be apportioned equally against the remaining
8 payments for the fiscal year.

9 (10) (i) On or before September 15th of each year, the Chairman shall
10 compute the actual costs and expenses of the Commission for the preceding fiscal year.

11 (ii) After deducting the amounts recovered under § 2-111(a) of this
12 subtitle, on or before October 15th, the Chairman shall send to any public service
13 company that is affected a statement that shows the amount due or the amount to the
14 credit of the public service company.

15 (11) (i) A public service company shall pay an amount due within 30
16 days after the statement is received.

17 (ii) At the option of the public service company, an amount to the
18 credit of a public service company shall be refunded or applied against any succeeding
19 payment due.

20 (12) The total amount that may be charged to a public service company
21 under this section for a State fiscal year may not exceed:

22 (i) 0.17% of the public service company's gross operating revenues
23 derived from intrastate utility AND ELECTRICITY SUPPLIER'S operations in the
24 preceding calendar year, or other 12-month period that the Chairman determines, for
25 the costs and expenses of the Commission other than that of the Office of People's
26 Counsel; plus

27 (ii) 0.05% of those revenues for the costs and expenses of the Office of
28 People's Counsel.

29 [(c)] (D) (1) Within 30 days after the Commission issues a bill under
30 subsection [(b)] (C) of this section, the party billed may request a hearing as to the
31 amount of the bill.

32 (2) Any amount of a bill that is not paid within 30 days after the date of
33 determination on a hearing or, if a hearing is not requested, on the date when payment
34 is due, shall bear annual interest at a rate, not less than 6%, that the Commission sets
35 by regulation.

1 2-118.

2 (a) This section does not apply to taxicabs, power boat companies, toll bridges,
3 or towing and lightering companies.

4 (b) The Commission shall require each public service company subject to its
5 jurisdiction to formulate and, after approval by the Commission, to implement
6 long-range plans to provide REGULATED service.

7 (c) The Commission shall require each electric company in the State to include
8 in the long-range plan adequate, COST-EFFECTIVE provisions to promote energy
9 conservation to decrease or moderate electric and, as appropriate, natural gas demand
10 FOR REGULATED SERVICE from customers.

11 (d) (1) The Commission shall review each plan for adequacy under the
12 criteria of § 2-113 of this subtitle, giving attention to the interrelationship of services of
13 other public service companies and to provisions for research and development to
14 ensure adequate service.

15 (2) As part of the review, and subject to any applicable Freedom of
16 Information Act, the Commission shall consult with other State units and provide an
17 opportunity for public comment.

18 (3) The Commission shall require the revisions to a plan that the
19 Commission considers appropriate unless the authority to review and approve a plan
20 has been granted to another State unit by other law.

21 4-201.

22 In accordance with the provisions of this article, a public service company shall
23 charge just and reasonable rates for the [utility] REGULATED services that it renders.
24 4-202.

25 (a) A public service company shall file with the Commission a tariff schedule of
26 its rates and charges FOR ITS REGULATED SERVICES AND FOR STANDARD OFFER
27 SERVICE AS PROVIDED IN § 7-505(B)(8) OF THIS ARTICLE.

28 (b) As ordered by the Commission, a public service company shall:

29 (1) plainly print the tariff schedule of its rates and charges FOR ITS
30 REGULATED SERVICES;

31 (2) make available the tariff schedules for public inspection; and

32 (3) post the tariff schedules to make the tariff schedules readily accessible
33 to and convenient for inspection by the public.

1 7-201.

2 (a) [In cooperation with the Secretary of Natural Resources as provided under
3 § 3-304 of the Natural Resources Article, the Commission shall assemble and evaluate
4 annually the long-range plans of the State's electric companies regarding generating
5 needs and the means to meet those needs.

6 (b)] (1) Annually, the chairman of the Commission shall forward to the
7 Secretary of Natural Resources a 10-year plan listing possible and proposed sites,
8 including the associated transmission routes, for the construction of electric plants
9 within the State.

10 (2) (i) The chairman shall delete from the 10-year plan any site that
11 the Secretary of Natural Resources identifies as unsuitable in accordance with the
12 requirements of § 3-304 of the Natural Resources Article.

13 (ii) The chairman may include a site deleted from a 10-year plan
14 under subparagraph (i) of this paragraph in a subsequent 10-year plan.

15 (3) The chairman shall include information in the annual 10-year plan
16 on current and projected efforts by electric companies and the Commission to moderate
17 overall electrical generation demand and peak demand through the electric companies'
18 promotion of energy conservation by customers and through the electric companies' use
19 of alternative energy sources, including cogeneration.

20 [(c)] (B) (1) The Commission shall evaluate the cost-effectiveness of the
21 investments by electric companies in energy conservation to reduce electrical demand
22 and in renewable energy sources to help meet electrical demand.

23 (2) The evaluation of investments shall include:

24 (i) the electric companies' promotion and conduct of a building
25 audit and weatherization program, including low-interest or no-interest electric
26 company financing for the installation of energy conservation materials and renewable
27 energy devices;

28 (ii) utilization of renewable energy sources;

29 (iii) promotion and utilization of electricity from cogeneration and
30 wastes; and

31 (iv) widespread public promotion of energy conservation programs.

32 7-207.

33 (a) (1) In this section and § 7-208 of this subtitle, "construction" means the
34 clearing of land, excavation, or other action that affects the natural environment of a
35 site or route of a bulk power supply facility.

1 (2) "Construction" does not include a change that is needed for the
2 temporary use of a site or route for nonutility purposes or for use in securing geological
3 data, including any boring that is necessary to ascertain foundation conditions.

4 (b) [An electric company may not begin construction in the State of a
5 generating station or of an overhead transmission line that is designed to carry a
6 voltage in excess of 69,000 volts, or exercise the right of condemnation in connection
7 with the construction, unless a certificate of public convenience and necessity for the
8 construction is first obtained from the Commission.]

9 (1) UNLESS A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
10 FOR THE CONSTRUCTION IS FIRST OBTAINED FROM THE COMMISSION, A PERSON
11 MAY NOT BEGIN CONSTRUCTION IN THE STATE OF A GENERATING STATION.

12 (2) UNLESS A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
13 FOR THE CONSTRUCTION IS FIRST OBTAINED FROM THE COMMISSION, AND THE
14 COMMISSION HAS FOUND THAT THE CAPACITY IS NECESSARY TO ENSURE A
15 SUFFICIENT SUPPLY OF ELECTRICITY TO CUSTOMERS IN THE STATE, A PERSON MAY
16 NOT EXERCISE A RIGHT OF CONDEMNATION IN CONNECTION WITH THE
17 CONSTRUCTION OF A GENERATING STATION.

18 (3) UNLESS A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
19 FOR THE CONSTRUCTION IS FIRST OBTAINED FROM THE COMMISSION, AN
20 ELECTRIC COMPANY MAY NOT BEGIN CONSTRUCTION OF AN OVERHEAD
21 TRANSMISSION LINE THAT IS DESIGNED TO CARRY A VOLTAGE IN EXCESS OF 69,000
22 VOLTS OR EXERCISE A RIGHT OF CONDEMNATION WITH THE CONSTRUCTION.

23 (c) (1) On receipt of an application for a certificate of public convenience and
24 necessity under this section, the Commission shall provide notice to the Office of
25 Planning and to all other interested persons.

26 (2) The Office of Planning shall forward the application to each
27 appropriate State unit and unit of local government for review, evaluation, and
28 comment regarding the significance of the proposal to State, area-wide, and local
29 plans or programs.

30 (d) (1) The Commission shall hold a public hearing on the application for a
31 certificate of public convenience and necessity in each county and municipal
32 corporation in which any portion of the construction of a generating station or of an
33 overhead transmission line designed to carry a voltage in excess of 69,000 volts is
34 proposed to be located.

35 (2) The Commission shall hold the public hearing jointly with the
36 governing body of the county or municipal corporation in which any portion of the
37 construction of the generating station or overhead transmission line is proposed to be
38 located, unless the governing body declines to participate in the hearing.

39 (3) Once in each of the 2 successive weeks immediately before the hearing
40 date, the Commission shall provide weekly notice of the public hearing by

1 advertisement in a newspaper of general circulation in the county or municipal
 2 corporation affected by the application.

3 (4) (i) The Commission shall ensure presentation and
 4 recommendations from each interested State unit, and shall allow representatives of
 5 each State unit to sit during hearing of all parties.

6 (ii) The Commission shall allow each State unit 15 days after the
 7 conclusion of the hearing to modify the State unit's initial recommendations.

8 (e) The Commission shall take final action on an application for a certificate of
 9 public convenience and necessity only after due consideration of:

10 (1) the recommendation of the governing body of each county or
 11 municipal corporation in which any portion of the construction of the generating
 12 station or overhead transmission line is proposed to be located; AND

13 (2) [the need to meet existing and future demand for electric service; and

14 (3)] the effect of the generating station or overhead transmission line on:

15 (i) the stability and reliability of the electric system;

16 (ii) economics;

17 (iii) esthetics;

18 (iv) historic sites;

19 (v) aviation safety as determined by the Maryland Aviation
 20 Administration and the administrator of the Federal Aviation Administration;

21 (vi) when applicable, air and water pollution; and

22 (vii) the availability of means for the required timely disposal of
 23 wastes produced by any generating station.

24 (f) FOR THE CONSTRUCTION OF AN OVERHEAD TRANSMISSION LINE, IN
 25 ADDITION TO THE CONSIDERATIONS LISTED IN SUBSECTION (E) OF THIS SECTION,
 26 THE COMMISSION SHALL TAKE FINAL ACTION ON AN APPLICATION FOR A
 27 CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY ONLY AFTER DUE
 28 CONSIDERATION OF THE NEED TO MEET EXISTING AND FUTURE DEMAND FOR
 29 ELECTRIC SERVICE.

30 (G) (1) The Commission may not authorize, and an electric company may not
 31 undertake, the construction of an overhead transmission line that is aligned with and
 32 within 1 mile of either end of a public airport runway, unless:

33 (i) the Federal Aviation Administration determines that the
 34 construction of an overhead transmission line will not constitute a hazard to air
 35 navigation; and

1 (ii) the Maryland Aviation Administration concurs in that
 2 determination.

3 (2) A privately owned airport runway shall qualify as a public airport
 4 runway under this subsection only if the runway has been on file with the Federal
 5 Aviation Administration for at least 2 years as being open to the public without
 6 restriction.

7 7-211.

8 (a) Subject to review and approval by the Commission, each gas company and
 9 electric company shall develop and implement programs and services to encourage and
 10 promote the efficient use and conservation of energy by consumers, gas companies, and
 11 electric companies.

12 (b) The Commission shall:

13 (1) require each gas company and electric company to establish any
 14 program or service that the Commission deems appropriate and cost effective to
 15 encourage and promote the efficient use and conservation of energy; [and]

16 (2) adopt rate-making policies that provide cost recovery and, in
 17 appropriate circumstances, reasonable financial incentives for gas companies and
 18 electric companies to establish programs and services that encourage and promote the
 19 efficient use and conservation of energy[.]; AND

20 (3) ENSURE THAT ADOPTION OF ELECTRIC CUSTOMER CHOICE UNDER
 21 SUBTITLE 5 OF THIS TITLE DOES NOT ADVERSELY IMPACT THE CONTINUATION OF
 22 COST EFFECTIVE ENERGY CONSERVATION AND EFFICIENCY PROGRAMS.

23 (C) (1) ON OR BEFORE FEBRUARY 1, 2001, THE COMMISSION, IN
 24 CONSULTATION WITH THE MARYLAND ENERGY ADMINISTRATION, SHALL REPORT,
 25 SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL
 26 ASSEMBLY ON:

27 (I) THE STATUS OF PROGRAMS AND SERVICES TO ENCOURAGE
 28 AND PROMOTE THE EFFICIENT USE AND CONSERVATION OF ENERGY; AND

29 (II) A RECOMMENDATION FOR THE APPROPRIATE FUNDING LEVEL
 30 TO ADEQUATELY FUND THESE PROGRAMS AND SERVICES.

31 (2) IN DETERMINING WHETHER A PROGRAM OR SERVICE ENCOURAGES
 32 AND PROMOTES THE EFFICIENT USE AND CONSERVATION OF ENERGY, THE
 33 COMMISSION SHALL CONSIDER, AMONG OTHER FACTORS:

34 (I) THE IMPACT ON JOBS;

35 (II) THE IMPACT ON THE ENVIRONMENT;

36 (III) THE IMPACT ON RATES; AND

1 (IV) THE COST-EFFECTIVENESS.

2 SUBTITLE 5. ELECTRIC INDUSTRY RESTRUCTURING.

3 PART I. GENERAL PROVISIONS.

4 7-501.

5 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
6 INDICATED.

7 (B) "AFFILIATE" MEANS A PERSON THAT DIRECTLY OR INDIRECTLY, OR
8 THROUGH ONE OR MORE INTERMEDIARIES, CONTROLS, IS CONTROLLED BY, OR IS
9 UNDER COMMON CONTROL WITH, OR HAS, DIRECTLY OR INDIRECTLY, ANY
10 ECONOMIC INTEREST IN ANOTHER PERSON.

11 (C) (1) "ASSIGNEE" MEANS A PERSON TO WHOM AN ELECTRIC COMPANY
12 ASSIGNS OR TRANSFERS ALL OR A PORTION OF ITS INTEREST IN INTANGIBLE
13 TRANSITION PROPERTY, OTHER THAN AS SECURITY.

14 (2) "ASSIGNEE" INCLUDES A PERSON TO WHOM ALL OR A PORTION OF
15 THE INTEREST IS SUBSEQUENTLY ASSIGNED OR TRANSFERRED.

16 (D) "COMPETITIVE TRANSITION CHARGE" MEANS A RATE, CHARGE, CREDIT,
17 OR OTHER APPROPRIATE MECHANISM AUTHORIZED TO BE IMPOSED FOR THE
18 RECOVERY OF TRANSITION COSTS AS DETERMINED BY THE COMMISSION UNDER §
19 7-513 OF THIS SUBTITLE.

20 (E) "CONSUMER" AND "CUSTOMER" EACH MEANS A RETAIL ELECTRIC
21 CUSTOMER.

22 (F) "CUSTOMER CHOICE" MEANS THE RIGHT OF ELECTRICITY SUPPLIERS
23 AND CUSTOMERS TO UTILIZE AND INTERCONNECT WITH THE ELECTRIC
24 DISTRIBUTION SYSTEM ON A NONDISCRIMINATORY BASIS AT RATES, TERMS, AND
25 CONDITIONS OF SERVICE COMPARABLE TO THE ELECTRIC COMPANY'S OWN USE OF
26 THE SYSTEM TO DISTRIBUTE ELECTRICITY FROM A ELECTRICITY SUPPLIER TO A
27 CUSTOMER, UNDER WHICH A CUSTOMER HAS THE OPPORTUNITY TO PURCHASE
28 ELECTRICITY FROM THE CUSTOMER'S CHOICE OF LICENSED ELECTRICITY
29 SUPPLIERS.

30 (G) "DISTRIBUTION TERRITORY" MEANS THE GEOGRAPHIC AREA IN WHICH AN
31 ELECTRIC COMPANY WAS PROVIDING ELECTRIC TRANSMISSION OR DISTRIBUTION
32 SERVICES TO CUSTOMERS ON JULY 1, 1999.

33 (H) "INDEPENDENT SYSTEM OPERATOR" MEANS AN ENTITY AUTHORIZED BY
34 THE FEDERAL ENERGY REGULATORY COMMISSION TO CONTROL A REGIONAL
35 TRANSMISSION GRID.

36 (I) "INITIAL IMPLEMENTATION DATE" MEANS:

1 (1) JULY 1, 2000, FOR INVESTOR-OWNED ELECTRIC COMPANIES;

2 (2) THE DATE OR DATES DETERMINED BY THE COMMISSION FOR
3 ELECTRIC COOPERATIVES AND MUNICIPAL ELECTRIC UTILITIES; OR

4 (3) ANOTHER DATE OR DATES DETERMINED BY THE COMMISSION
5 UNDER § 7-510(B) OF THIS SUBTITLE.

6 (J) "INTANGIBLE TRANSITION CHARGE" MEANS A NONBYPASSABLE RATE,
7 CHARGE, OR SIMILAR APPROPRIATE MECHANISM FOR THE PROVISION,
8 AVAILABILITY, OR TERMINATION OF ELECTRIC SERVICE, AUTHORIZED TO BE
9 IMPOSED FOR THE RECOVERY OF QUALIFIED TRANSITION COSTS UNDER A
10 QUALIFIED RATE ORDER OF THE COMMISSION.

11 (K) "INTANGIBLE TRANSITION PROPERTY" MEANS THE RIGHT, TITLE, AND
12 INTEREST OF AN ELECTRIC COMPANY OR ASSIGNEE IN A QUALIFIED RATE ORDER,
13 INCLUDING:

14 (1) ALL RIGHTS IN, TO, AND UNDER THE ORDER, INCLUDING RIGHTS TO
15 REVENUES, COLLECTIONS, CLAIMS, PAYMENTS, MONEY, OR OTHER PROPERTY AND
16 AMOUNTS ARISING FROM THE IMPOSITION OF INTANGIBLE TRANSITION CHARGES
17 UNDER THE ORDER; AND

18 (2) IN THE HANDS OF AN ASSIGNEE:

19 (I) THE RIGHT TO REQUIRE THE ELECTRIC COMPANY TO PROVIDE
20 ELECTRIC SERVICES, AND TO COLLECT AND REMIT THE INTANGIBLE TRANSITION
21 CHARGES AUTHORIZED IN THE QUALIFIED RATE ORDER; BUT

22 (II) NOT THE RIGHT OR DUTY TO PROVIDE ELECTRIC SERVICES.

23 (L) (1) "PUBLIC PURPOSE PROGRAM" MEANS A PROGRAM IMPLEMENTED
24 WITH THE INTENTION OF FURTHERING A PUBLIC PURPOSE.

25 (2) "PUBLIC PURPOSE PROGRAM" INCLUDES:

26 (I) A UNIVERSAL SERVICE PROGRAM;

27 (II) A PROGRAM ENCOURAGING RENEWABLE ENERGY RESOURCES;

28 (III) A DEMAND SIDE MANAGEMENT OR OTHER ENERGY
29 EFFICIENCY OR CONSERVATION PROGRAM; AND

30 (IV) A CONSUMER EDUCATION PROGRAM.

31 (M) "QUALIFIED RATE ORDER" MEANS AN ORDER OF THE COMMISSION
32 APPROVING ONE OR MORE INTANGIBLE TRANSITION CHARGES.

33 (N) "STANDARD OFFER SERVICE" MEANS ELECTRIC SERVICE THAT AN
34 ELECTRIC COMPANY MUST OFFER TO ITS CUSTOMERS UNDER § 7-510(C) OF THIS
35 SUBTITLE.

1 (O) "TRANSITION BOND" MEANS A BOND, DEBENTURE, NOTE, CERTIFICATE
 2 OF PARTICIPATION OR BENEFICIAL INTEREST, OR OTHER EVIDENCE OF
 3 INDEBTEDNESS OR OWNERSHIP, APPROVED IN A QUALIFIED RATE ORDER AND
 4 ISSUED UNDER AN EXECUTED TRUST INDENTURE OR OTHER AGREEMENT OF AN
 5 ELECTRIC COMPANY OR ASSIGNEE, AND WHICH IS SECURED BY, EVIDENCES
 6 OWNERSHIP INTEREST IN, OR IS PAYABLE FROM INTANGIBLE TRANSITION
 7 PROPERTY.

8 (P) "TRANSITION COST" MEANS A COST, LIABILITY, OR INVESTMENT THAT:

9 (1) TRADITIONALLY WOULD HAVE BEEN OR WOULD BE RECOVERABLE
 10 UNDER RATE-OF-RETURN REGULATION, BUT WHICH MAY NOT BE RECOVERABLE IN
 11 A RESTRUCTURED ELECTRICITY SUPPLY MARKET; OR

12 (2) ARISES AS A RESULT OF ELECTRIC INDUSTRY RESTRUCTURING AND
 13 IS RELATED TO THE CREATION OF CUSTOMER CHOICE.

14 (Q) (1) "UNIVERSAL SERVICE PROGRAM" MEANS A PROGRAM THAT HELPS
 15 LOW-INCOME CUSTOMERS MAINTAIN ELECTRIC SERVICE.

16 (2) "UNIVERSAL SERVICE PROGRAM" INCLUDES CUSTOMER BILL
 17 ASSISTANCE AND PAYMENT PROGRAMS, TERMINATION OF SERVICE PROTECTION,
 18 AND POLICIES AND SERVICES THAT HELP LOW-INCOME CUSTOMERS TO REDUCE OR
 19 MANAGE ENERGY CONSUMPTION IN A COST-EFFECTIVE MANNER.

20 7-502. RESERVED.

21 7-503. RESERVED.

22 PART II. ELECTRIC INDUSTRY RESTRUCTURING ENABLED.

23 7-504.

24 THE GENERAL ASSEMBLY FINDS AND DECLARES THAT THE PURPOSE OF THIS
 25 SUBTITLE IS TO:

26 (1) ESTABLISH CUSTOMER CHOICE OF ELECTRICITY SUPPLY AND
 27 ELECTRICITY SUPPLY SERVICES;

28 (2) CREATE COMPETITIVE RETAIL ELECTRICITY SUPPLY AND
 29 ELECTRICITY SUPPLY SERVICES MARKETS;

30 (3) DEREGULATE THE GENERATION, SUPPLY, AND PRICING OF
 31 ELECTRICITY;

32 (4) PROVIDE ECONOMIC BENEFITS FOR ALL CUSTOMER CLASSES; AND

33 (5) ENSURE COMPLIANCE WITH FEDERAL AND STATE ENVIRONMENTAL
 34 STANDARDS.

1 7-505.

2 (A) (1) IN ASSESSING AND APPROVING EACH ELECTRIC COMPANY'S
3 RESTRUCTURING PLAN, AND OVERSEEING THE TRANSITION PROCESS AND
4 REGULATION OF THE RESTRUCTURED ELECTRIC INDUSTRY, THE COMMISSION
5 SHALL PROVIDE THAT THE TRANSITION TO A COMPETITIVE ELECTRICITY SUPPLY
6 AND ELECTRICITY SUPPLY SERVICES MARKET SHALL BE ORDERLY, MAINTAIN
7 ELECTRIC SYSTEM RELIABILITY, AND ENSURE COMPLIANCE WITH FEDERAL AND
8 STATE ENVIRONMENTAL REGULATIONS, BE FAIR TO CUSTOMERS, ELECTRIC
9 COMPANY INVESTORS, CUSTOMERS OF MUNICIPAL ELECTRIC UTILITIES, ELECTRIC
10 COMPANIES, AND ELECTRICITY SUPPLIERS, AND PROVIDE ECONOMIC BENEFITS TO
11 ALL CUSTOMER CLASSES.

12 (2) THE COMMISSION SHALL CONSIDER THE RESTRUCTURING PLANS
13 OF MUNICIPAL ELECTRIC UTILITIES, AS SPECIFIED UNDER § 7-510 OF THIS
14 SUBTITLE.

15 (B) (1) THE COMMISSION SHALL ISSUE THE ORDERS OR ADOPT THE
16 REGULATIONS REQUIRED UNDER THIS SUBSECTION BEFORE THE
17 IMPLEMENTATION OF CUSTOMER CHOICE.

18 (2) THE COMMISSION SHALL ORDER A UNIVERSAL SERVICE PROGRAM,
19 TO BE MADE AVAILABLE ON A STATEWIDE BASIS, TO BENEFIT LOW-INCOME
20 CUSTOMERS, IN ACCORDANCE WITH § 7-512.1 OF THIS SUBTITLE.

21 (3) THE COMMISSION SHALL ORDER AN ELECTRIC COMPANY TO ADOPT
22 POLICIES AND PRACTICES REASONABLY DESIGNED TO PREVENT:

23 (I) DISCRIMINATION AGAINST A PERSON, LOCALITY, OR
24 PARTICULAR CLASS OF SERVICE OR GIVE UNDUE OR UNREASONABLE PREFERENCE
25 IN FAVOR OF THE ELECTRIC COMPANY'S OWN ELECTRICITY SUPPLY, OTHER
26 SERVICES, DIVISIONS, OR AFFILIATES, IF ANY; AND

27 (II) ANY OTHER FORMS OF SELF-DEALING OR PRACTICES THAT
28 COULD RESULT IN NONCOMPETITIVE ELECTRICITY PRICES TO CUSTOMERS.

29 (4) (I) THE COMMISSION SHALL, BY REGULATION OR ORDER,
30 REQUIRE EACH ELECTRIC COMPANY AND ELECTRICITY SUPPLIER TO PROVIDE
31 ADEQUATE AND ACCURATE INFORMATION TO EACH CUSTOMER ON THE AVAILABLE
32 ELECTRIC SERVICES OF THE ELECTRIC COMPANY OR ELECTRICITY SUPPLIER,
33 INCLUDING DISCLOSURE, EVERY 6 MONTHS, OF A UNIFORM COMMON SET OF
34 INFORMATION ABOUT:

35 1. THE FUEL MIX OF THE ELECTRICITY PURCHASED BY
36 CUSTOMERS, INCLUDING CATEGORIES OF ELECTRICITY FROM COAL, NATURAL GAS,
37 NUCLEAR, OIL, HYDROELECTRIC, SOLAR, BIOMASS, WIND, AND OTHER RESOURCES,
38 OR DISCLOSURE OF A REGIONAL FUEL MIX AVERAGE; AND

1 (10) (I) ON OR BEFORE JULY 1, 2000, THE COMMISSION SHALL ISSUE
2 ORDERS OR ADOPT REGULATIONS REASONABLY DESIGNED TO ENSURE THE
3 CREATION OF COMPETITIVE ELECTRICITY SUPPLY AND ELECTRICITY SUPPLY
4 SERVICES MARKETS, WITH APPROPRIATE CUSTOMER SAFEGUARDS.

5 (II) ON OR BEFORE JULY 1, 2000, THE COMMISSION SHALL
6 REQUIRE:

7 1. AN APPROPRIATE CODE OF CONDUCT BETWEEN THE
8 ELECTRIC COMPANY AND AN AFFILIATE PROVIDING ELECTRICITY SUPPLY AND
9 ELECTRICITY SUPPLY SERVICES IN THE STATE;

10 2. ACCESS BY ELECTRICITY SUPPLIERS AND CUSTOMERS TO
11 THE ELECTRIC COMPANY'S TRANSMISSION AND DISTRIBUTION SYSTEM ON A
12 NONDISCRIMINATORY BASIS;

13 3. APPROPRIATE COMPLAINT AND ENFORCEMENT
14 PROCEDURES; AND

15 4. ANY OTHER SAFEGUARDS DEEMED NECESSARY BY THE
16 COMMISSION TO ENSURE THE CREATION AND MAINTENANCE OF A COMPETITIVE
17 ELECTRICITY SUPPLY AND ELECTRICITY SUPPLY SERVICES MARKET.

18 (III) ON OR BEFORE JULY 1, 2000, THE COMMISSION SHALL
19 REQUIRE, AMONG OTHER FACTORS, FUNCTIONAL, OPERATIONAL, STRUCTURAL, OR
20 LEGAL SEPARATION BETWEEN THE ELECTRIC COMPANY'S REGULATED BUSINESSES
21 AND ITS NONREGULATED BUSINESSES OR NONREGULATED AFFILIATES.

22 (11) NOTHING IN THIS TITLE MAY BE CONSTRUED AS PREVENTING THE
23 APPLICATION OF STATE AND FEDERAL CONSUMER PROTECTION AND ANTITRUST
24 LAWS TO ELECTRIC COMPANIES AND THEIR AFFILIATES, AND TO ELECTRICITY
25 SUPPLIERS.

26 (12) THE COMMISSION, IN CONSULTATION WITH THE DEPARTMENT OF
27 THE ENVIRONMENT, SHALL ADOPT APPROPRIATE MEASURES TO MAINTAIN
28 ENVIRONMENTAL STANDARDS, ADAPT EXISTING PROGRAMS, AND DEVELOP NEW
29 PROGRAMS AS APPROPRIATE TO ENSURE COMPLIANCE WITH FEDERAL AND STATE
30 ENVIRONMENTAL PROTECTION STANDARDS.

31 (13) (I) AN ELECTRIC COMPANY SHALL COMPLY WITH ALL
32 REQUIREMENTS OF THE COMMISSION IN CONDUCTING REGULATED OPERATIONS IN
33 COMPLIANCE WITH THIS ARTICLE.

34 (II) THE COMMISSION SHALL REQUIRE EACH ELECTRIC COMPANY
35 TO ADOPT A CODE OF CONDUCT TO BE APPROVED BY THE COMMISSION BY A DATE
36 TO BE DETERMINED BY THE COMMISSION TO PREVENT REGULATED SERVICE
37 CUSTOMERS FROM SUBSIDIZING THE SERVICES OF UNREGULATED BUSINESSES OR
38 AFFILIATES OF THE ELECTRIC COMPANY.

1 (C) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, INCLUDING
2 SUBSECTION (D) OF THIS SECTION, THE COMMISSION MAY REGULATE THE
3 REGULATED SERVICES OF AN ELECTRIC COMPANY THROUGH ALTERNATIVE FORMS
4 OF REGULATION.

5 (2) THE COMMISSION MAY ADOPT AN ALTERNATIVE FORM OF
6 REGULATION UNDER THIS SECTION IF THE COMMISSION FINDS, AFTER NOTICE AND
7 HEARING, THAT THE ALTERNATIVE FORM OF REGULATION:

8 (I) PROTECTS CONSUMERS;

9 (II) ENSURES THE QUALITY, AVAILABILITY, AND RELIABILITY OF
10 REGULATED ELECTRIC SERVICES; AND

11 (III) IS IN THE INTEREST OF THE PUBLIC, INCLUDING
12 SHAREHOLDERS OF THE ELECTRIC COMPANY.

13 (3) ALTERNATIVE FORMS OF REGULATION MAY INCLUDE:

14 (I) PRICE REGULATION, INCLUDING PRICE FREEZES OR CAPS;

15 (II) REVENUE REGULATION;

16 (III) RANGES OF AUTHORIZED RETURN;

17 (IV) RATE OF RETURN;

18 (V) CATEGORIES OF SERVICES; OR

19 (VI) PRICE-INDEXING.

20 (D) (1) THE COMMISSION SHALL CAP, FOR 4 YEARS AFTER INITIAL
21 IMPLEMENTATION OF CUSTOMER CHOICE IN THE ELECTRIC COMPANY'S
22 DISTRIBUTION TERRITORY, THE TOTAL OF THE RATES OF AN ELECTRIC COMPANY
23 CHARGED TO A RETAIL ELECTRIC CUSTOMER AT THE ACTUAL LEVEL OF THE RATES
24 IN EFFECT OR AUTHORIZED BY THE COMMISSION ON THE DATE IMMEDIATELY
25 PRECEDING THE INITIAL IMPLEMENTATION OF CUSTOMER CHOICE IN THE
26 ELECTRIC COMPANY'S DISTRIBUTION TERRITORY.

27 (2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
28 PARAGRAPH, THE CAP REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION DOES
29 NOT APPLY TO THE RECOVERY OF COSTS ADDED AFTER JANUARY 1, 2000, IN
30 ACCORDANCE WITH § 7-512(C) OF THIS SUBTITLE.

31 (II) THE CAP REQUIRED UNDER PARAGRAPH (1) OF THIS
32 SUBSECTION APPLIES TO THE RECOVERY OF:

33 I. ANY TRANSITION COSTS UNDER § 7-513 OF THIS
34 SUBTITLE.

1 (IV) THE COMMISSION MAY ALLOW THE RECOVERY OF ANY
2 EXTRAORDINARY COSTS BASED ON THE CIRCUMSTANCES OF AN INDIVIDUAL
3 ELECTRIC COMPANY IF THE COMMISSION DETERMINES THAT THE ACTION IS
4 NECESSARY AND IN THE PUBLIC INTEREST.

5 (V) IN DETERMINING THE RATE REDUCTION REQUIRED UNDER
6 SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE COMMISSION MAY NOT INCREASE
7 RATES FOR NONRESIDENTIAL CUSTOMERS.

8 (5) THE REQUIREMENTS OF PARAGRAPH (4) OF THIS SUBSECTION DO
9 NOT APPLY TO AN ELECTRIC COMPANY IF THE COMMISSION APPROVES OR HAS IN
10 EFFECT A SETTLEMENT THAT THE COMMISSION DETERMINES IS EQUALLY
11 PROTECTIVE OF RATEPAYERS.

12 (E) (1) THE COMMISSION SHALL ASSESS THE AMOUNT OF ELECTRICITY
13 GENERATED IN MARYLAND AS WELL AS THE AMOUNT OF ELECTRICITY IMPORTED
14 FROM OTHER STATES IN ORDER TO DETERMINE WHETHER A SUFFICIENT SUPPLY
15 OF ELECTRICITY IS AVAILABLE TO CUSTOMERS IN THE STATE.

16 (2) ON OR BEFORE JANUARY 1 IN 2001, 2003, 2005, AND 2007, THE
17 COMMISSION SHALL REPORT TO THE GENERAL ASSEMBLY IN ACCORDANCE WITH §
18 2-1246 OF THE STATE GOVERNMENT ARTICLE ON ITS ASSESSMENT UNDER THIS
19 SUBSECTION, AND ANY RECOMMENDATIONS FOR LEGISLATION WHICH MAY BE
20 NEEDED TO ENSURE AN ADEQUATE SUPPLY OF ELECTRICITY FOR CUSTOMERS IN
21 THE STATE.

22 (F) (1) THE COMMISSION SHALL ISSUE THE ORDERS OR ADOPT THE
23 REGULATIONS REQUIRED UNDER THIS SUBSECTION BEFORE THE
24 IMPLEMENTATION OF CUSTOMER CHOICE.

25 (2) THE COMMISSION SHALL ORDER EACH ELECTRIC COMPANY, IN
26 CONJUNCTION WITH THE COMMISSION, THE OFFICE OF PEOPLE'S COUNSEL, AND
27 OTHER PARTIES, TO IMPLEMENT A CONSUMER EDUCATION PROGRAM INFORMING
28 CUSTOMERS OF CHANGES IN THE ELECTRIC INDUSTRY.

29 (3) ANY BOARD OR GROUP CREATED UNDER PARAGRAPH (2) OF THIS
30 SUBSECTION SHALL INCLUDE AT LEAST 2 MEMBERS OF THE PUBLIC.

31 (4) (I) AS PART OF THE CONSUMER EDUCATION PROGRAM UNDER
32 THIS SUBSECTION, THE DIVISION OF CONSUMER PROTECTION OF THE OFFICE OF
33 THE ATTORNEY GENERAL SHALL DEVELOP AND MAINTAIN INFORMATION
34 REGARDING RATES AND SERVICES FOR SMALL COMMERCIAL AND RESIDENTIAL
35 ELECTRIC CUSTOMERS OF LICENSED ELECTRICITY SUPPLIERS.

36 (II) THE INFORMATION REQUIRED IN THIS PARAGRAPH SHALL BE:

37 1. READILY UNDERSTANDABLE AND FORMATTED TO
38 PROVIDE A COMPARISON OF RATES AND SERVICES AMONG ELECTRICITY SUPPLIERS
39 OF SIMILAR SERVICES; AND

1 INDEPENDENT SYSTEM OPERATOR OR REGIONAL OR SYSTEM TRANSMISSION
2 OPERATOR TO BE USED BY THE LICENSEE;

3 (III) A CERTIFICATION OF COMPLIANCE WITH APPLICABLE
4 FEDERAL AND STATE ENVIRONMENTAL LAWS AND REGULATIONS THAT RELATE TO
5 THE GENERATION OF ELECTRICITY; AND

6 (IV) PAYMENT OF THE APPLICABLE LICENSING FEE.

7 (C) THE COMMISSION SHALL, BY REGULATION OR ORDER:

8 (1) REQUIRE PROOF OF FINANCIAL INTEGRITY;

9 (2) REQUIRE A LICENSEE TO POST A BOND OR OTHER SIMILAR
10 INSTRUMENT, IF, IN THE COMMISSION'S JUDGMENT, THE BOND OR SIMILAR
11 INSTRUMENT IS NECESSARY TO INSURE AN ELECTRICITY SUPPLIER'S FINANCIAL
12 INTEGRITY;

13 (3) REQUIRE A LICENSEE TO:

14 (I) PROVIDE PROOF THAT IT IS QUALIFIED TO DO BUSINESS IN
15 THE STATE WITH THE DEPARTMENT OF ASSESSMENTS AND TAXATION; AND

16 (II) AGREE TO BE SUBJECT TO ALL APPLICABLE TAXES; AND

17 (4) ADOPT ANY OTHER REQUIREMENTS IT FINDS TO BE IN THE PUBLIC
18 INTEREST, WHICH MAY INCLUDE DIFFERENT REQUIREMENTS FOR:

19 (I) ELECTRICITY SUPPLIERS THAT SERVE ONLY LARGE
20 CUSTOMERS; AND

21 (II) THE DIFFERENT CATEGORIES OF ELECTRICITY SUPPLIERS.

22 (D) A LICENSE ISSUED UNDER THIS SECTION MAY NOT BE TRANSFERRED
23 WITHOUT PRIOR COMMISSION APPROVAL.

24 (E) THE COMMISSION SHALL ADOPT REGULATIONS OR ISSUE ORDERS TO:

25 (1) PROTECT CONSUMERS, ELECTRIC COMPANIES, AND ELECTRICITY
26 SUPPLIERS FROM ANTICOMPETITIVE AND ABUSIVE PRACTICES;

27 (2) REQUIRE EACH ELECTRICITY SUPPLIER TO PROVIDE, IN ADDITION
28 TO THE REQUIREMENTS UNDER § 7-505(B)(5) OF THIS SUBTITLE, ADEQUATE AND
29 ACCURATE CUSTOMER INFORMATION TO ENABLE CUSTOMERS TO MAKE INFORMED
30 CHOICES REGARDING THE PURCHASE OF ANY ELECTRICITY SERVICES OFFERED BY
31 THE ELECTRICITY SUPPLIER;

32 (3) ESTABLISH REASONABLE RESTRICTIONS ON TELEMARKETING;

33 (4) ESTABLISH PROCEDURES FOR CONTRACTING WITH CUSTOMERS;

1 (5) ESTABLISH REQUIREMENTS AND LIMITATIONS RELATING TO
 2 DEPOSITS, BILLING, COLLECTIONS, AND CONTRACT CANCELLATIONS;

3 (6) ESTABLISH PROVISIONS PROVIDING FOR THE REFERRAL OF A
 4 DELINQUENT ACCOUNT BY AN ELECTRICITY SUPPLIER TO THE STANDARD OFFER
 5 SERVICE UNDER § 7-510(C) OF THIS SUBTITLE; AND

6 (7) ESTABLISH PROCEDURES FOR DISPUTE RESOLUTION.

7 (F) IN ACCORDANCE WITH REGULATIONS OR ORDERS OF THE COMMISSION,
 8 ELECTRICITY BILLS, FOR COMPETITIVE AND REGULATED ELECTRIC SERVICES,
 9 PROVIDED TO CONSUMERS MAY PROVIDE, IN ADDITION TO THE REQUIREMENTS OF §
 10 7-505(B)(5) OF THIS SUBTITLE AND SUBSECTION (E)(2) OF THIS SECTION, THE
 11 FOLLOWING INFORMATION:

12 (1) THE IDENTITY AND PHONE NUMBER OF THE ELECTRICITY SUPPLIER
 13 OF THE SERVICE;

14 (2) SUFFICIENT INFORMATION TO EVALUATE PRICES AND SERVICES;
 15 AND

16 (3) INFORMATION IDENTIFYING WHETHER THE PRICE IS REGULATED
 17 OR COMPETITIVE.

18 (G) (1) AN ELECTRICITY SUPPLIER OR ANY PERSON OR GOVERNMENTAL
 19 UNIT MAY NOT, WITHOUT FIRST OBTAINING THE CUSTOMER'S PERMISSION:

20 (I) MAKE ANY CHANGE IN THE ELECTRICITY SUPPLIER FOR A
 21 CUSTOMER; OR

22 (II) ADD A NEW CHARGE FOR A NEW OR EXISTING SERVICE OR
 23 OPTION.

24 (2) THE COMMISSION SHALL ADOPT REGULATIONS OR ISSUE ORDERS
 25 ESTABLISHING PROCEDURES TO PREVENT THE PRACTICES PROHIBITED UNDER
 26 PARAGRAPH (1) OF THIS SUBSECTION.

27 (H) (1) AN ELECTRICITY SUPPLIER MAY NOT DISCRIMINATE AGAINST ANY
 28 CUSTOMER BASED WHOLLY OR PARTLY ON RACE, COLOR, CREED, NATIONAL ORIGIN,
 29 OR SEX OF AN APPLICANT FOR SERVICE OR FOR ANY ARBITRARY, CAPRICIOUS, OR
 30 UNFAIRLY DISCRIMINATORY REASON.

31 (2) AN ELECTRICITY SUPPLIER MAY NOT REFUSE TO PROVIDE SERVICE
 32 TO A CUSTOMER EXCEPT BY THE APPLICATION OF STANDARDS THAT ARE
 33 REASONABLY RELATED TO THE ELECTRICITY SUPPLIER'S ECONOMIC AND BUSINESS
 34 PURPOSES.

35 (I) AN ELECTRICITY SUPPLIER SHALL BE SUBJECT TO ALL APPLICABLE
 36 FEDERAL AND STATE ENVIRONMENTAL LAWS AND REGULATIONS.

1 (J) AN ELECTRICITY SUPPLIER SHALL POST ON THE INTERNET
2 INFORMATION THAT IS READILY UNDERSTANDABLE ABOUT ITS SERVICES AND
3 RATES FOR SMALL COMMERCIAL AND RESIDENTIAL ELECTRIC CUSTOMERS.

4 (K) (1) THE COMMISSION MAY REVOKE OR SUSPEND THE LICENSE OF AN
5 ELECTRICITY SUPPLIER, IMPOSE A CIVIL PENALTY OR OTHER REMEDY, ORDER A
6 REFUND OR CREDIT TO A CUSTOMER, OR IMPOSE A MORATORIUM ON ADDING OR
7 SOLICITING ADDITIONAL CUSTOMERS BY THE ELECTRICITY SUPPLIER, FOR JUST
8 CAUSE ON THE COMMISSION'S OWN INVESTIGATION OR ON COMPLAINT OF THE
9 OFFICE OF PEOPLE'S COUNSEL, THE ATTORNEY GENERAL, OR AN AFFECTED PARTY.

10 (2) A CIVIL PENALTY MAY BE IMPOSED IN ADDITION TO THE
11 COMMISSION'S DECISION TO REVOKE, SUSPEND, OR IMPOSE A MORATORIUM.

12 (3) JUST CAUSE INCLUDES:

13 (I) INTENTIONALLY PROVIDING FALSE INFORMATION TO THE
14 COMMISSION;

15 (II) SWITCHING, OR CAUSING TO BE SWITCHED, THE ELECTRICITY
16 SUPPLY FOR A CUSTOMER WITHOUT FIRST OBTAINING THE CUSTOMER'S
17 PERMISSION;

18 (III) FAILING TO PROVIDE ELECTRICITY FOR ITS CUSTOMERS;

19 (IV) COMMITTING FRAUD OR ENGAGING IN DECEPTIVE PRACTICES;

20 (V) FAILING TO MAINTAIN FINANCIAL INTEGRITY;

21 (VI) VIOLATING A COMMISSION REGULATION OR ORDER;

22 (VII) FAILING TO PAY, COLLECT, REMIT, OR CALCULATE
23 ACCURATELY APPLICABLE STATE OR LOCAL TAXES;

24 (VIII) VIOLATING A PROVISION OF THIS ARTICLE OR ANY OTHER
25 APPLICABLE CONSUMER PROTECTION LAW OF THE STATE;

26 (IX) CONVICTION OF A FELONY BY THE LICENSEE OR PRINCIPAL OF
27 THE LICENSEE OR ANY CRIME INVOLVING FRAUD, THEFT, OR DECEIT; AND

28 (X) SUSPENSION OR REVOCATION OF A LICENSE BY ANY STATE OR
29 FEDERAL AUTHORITY.

30 (L) (1) AN ELECTRICITY SUPPLIER OR PERSON SELLING OR OFFERING TO
31 SELL ELECTRICITY IN THE STATE IN VIOLATION OF THIS SECTION, AFTER NOTICE
32 AND AN OPPORTUNITY FOR A HEARING, IS SUBJECT TO:

33 (I) A CIVIL PENALTY OF NOT MORE THAN \$10,000 FOR THE
34 VIOLATION; OR

35 (II) LICENSE REVOCATION OR SUSPENSION.

- 1 (2) EACH DAY A VIOLATION CONTINUES IS A SEPARATE VIOLATION.
- 2 (3) THE COMMISSION SHALL DETERMINE THE AMOUNT OF ANY CIVIL
3 PENALTY AFTER CONSIDERING:
- 4 (1) THE NUMBER OF PREVIOUS VIOLATIONS OF ANY PROVISION OF
5 THIS ARTICLE;
- 6 (II) THE GRAVITY OF THE CURRENT VIOLATION; AND
- 7 (III) THE GOOD FAITH OF THE ELECTRICITY SUPPLIER OR PERSON
8 CHARGED IN ATTEMPTING TO ACHIEVE COMPLIANCE AFTER NOTIFICATION OF THE
9 VIOLATION.
- 10 (M) IN CONNECTION WITH A CONSUMER COMPLAINT OR COMMISSION
11 INVESTIGATION UNDER THIS SECTION, AN ELECTRICITY SUPPLIER SHALL PROVIDE
12 TO THE COMMISSION ACCESS TO ANY ACCOUNTS, BOOKS, PAPERS, AND DOCUMENTS
13 WHICH THE COMMISSION CONSIDERS NECESSARY TO RESOLVE THE MATTER AT
14 ISSUE.
- 15 (N) THE COMMISSION MAY ORDER THE ELECTRICITY SUPPLIER TO CEASE
16 ADDING OR SOLICITING ADDITIONAL CUSTOMERS OR TO CEASE SERVING
17 CUSTOMERS IN THE STATE.
- 18 (O) THE COMMISSION SHALL CONSULT WITH THE CONSUMER PROTECTION
19 DIVISION OF THE OFFICE OF THE ATTORNEY GENERAL BEFORE ISSUING
20 REGULATIONS DESIGNED TO PROTECT CONSUMERS.
- 21 (P) THE PEOPLE'S COUNSEL SHALL HAVE THE SAME AUTHORITY IN
22 LICENSING, COMPLAINT, AND DISPUTE RESOLUTION PROCEEDINGS AS IT HAS IN
23 TITLE 2 OF THIS ARTICLE.
- 24 (Q) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO AFFECT THE
25 AUTHORITY OF THE DIVISION OF CONSUMER PROTECTION IN THE OFFICE OF THE
26 ATTORNEY GENERAL TO ENFORCE VIOLATIONS OF TITLES 13 AND 14 OF THE
27 COMMERCIAL LAW ARTICLE OR ANY OTHER APPLICABLE STATE LAW OR
28 REGULATION IN CONNECTION WITH THE ACTIVITIES OF ELECTRICITY SUPPLIERS.
- 29 7-508.
- 30 (A) AN ELECTRIC COMPANY MAY TRANSFER ANY OF ITS GENERATION
31 FACILITIES OR GENERATION ASSETS TO AN AFFILIATE.
- 32 (B) THE TRANSFER OF A GENERATION FACILITY OR GENERATION ASSET TO
33 AN AFFILIATE MAY NOT AFFECT OR RESTRICT THE COMMISSION'S DETERMINATION
34 OF THE VALUE OF A GENERATION ASSET FOR PURPOSES OF TRANSITION COSTS OR
35 BENEFITS UNDER § 7-513(B) OF THIS SUBTITLE.
- 36 (C) (1) THIS SUBSECTION IS IN EFFECT UNTIL THE LATER OF THE DATE
37 WHEN:

1 (I) ALL CUSTOMERS OF THE ELECTRIC COMPANY ARE ELIGIBLE
 2 FOR CUSTOMER CHOICE UNDER § 7-510 OF THIS SUBTITLE; AND

3 (II) THE AMOUNT OF TRANSITION COSTS OR BENEFITS ARISING
 4 FROM THE GENERATION TO BE TRANSFERRED HAS BEEN FINALLY DETERMINED BY
 5 THE COMMISSION UNDER § 7-513(A) THROUGH (C) OF THIS SUBTITLE.

6 (2) THE COMMISSION MAY REVIEW AND APPROVE THE TRANSFER FOR
 7 THE SOLE PURPOSE OF DETERMINING:

8 (I) THAT THE APPROPRIATE ACCOUNTING HAS BEEN FOLLOWED;

9 (II) THAT THE TRANSFER DOES NOT OR WOULD NOT RESULT IN AN
 10 UNDUE ADVERSE EFFECT ON THE PROPER FUNCTIONING OF A COMPETITIVE
 11 ELECTRICITY SUPPLY MARKET; AND

12 (III) THE APPROPRIATE TRANSFER PRICE AND RATE MAKING
 13 TREATMENT.

14 (3) THE COMMISSION SHALL ACT ON THE TRANSFER OF A GENERATION
 15 FACILITY OR GENERATION ASSET UNDER THIS SUBSECTION WITHIN 180 DAYS
 16 AFTER THE ELECTRIC COMPANY FILES ITS PROPOSED TRANSFER APPLICATION AND
 17 ANY REQUIRED SUPPORTING INFORMATION.

18 7-509.

19 (A) (1) ON AND AFTER THE INITIAL IMPLEMENTATION DATE, THE
 20 GENERATION, SUPPLY, AND SALE OF ELECTRICITY, INCLUDING ALL RELATED
 21 FACILITIES AND ASSETS, MAY NOT BE REGULATED AS AN ELECTRIC COMPANY
 22 SERVICE OR FUNCTION EXCEPT TO:

23 (I) ESTABLISH THE PRICE FOR STANDARD OFFER SERVICE UNDER
 24 § 7-510(C) OF THIS SUBTITLE; AND

25 (II) REVIEW AND APPROVE TRANSFERS OF GENERATION ASSETS
 26 UNDER § 7-508 OF THIS SUBTITLE.

27 (2) THIS SUBSECTION DOES NOT APPLY TO:

28 (I) REGULATION OF AN ELECTRICITY SUPPLIER UNDER § 7-507 OF
 29 THIS SUBTITLE; OR

30 (II) THE COSTS OF NUCLEAR GENERATION FACILITIES OR
 31 PURCHASED POWER CONTRACTS THAT, AS PART OF A SETTLEMENT APPROVED BY
 32 THE COMMISSION, REMAIN REGULATED OR ARE RECOVERED THROUGH THE
 33 DISTRIBUTION FUNCTION.

34 (B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THIS SECTION
 35 DOES NOT APPLY TO AN INVESTOR-OWNED ELECTRIC COMPANY UNTIL THE
 36 ELECTRIC COMPANY.

1 (I) TRANSFERS GENERATION FACILITIES AND GENERATION
 2 ASSETS TO AN AFFILIATE OF THE ELECTRIC COMPANY, AND THE AFFILIATE
 3 OPERATES THE FACILITIES AND ASSETS; OR

4 (II) SELLS THE GENERATION FACILITIES AND GENERATION
 5 ASSETS TO A NONAFFILIATE.

6 (2) (I) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (1) OF
 7 THIS SUBSECTION, THIS SECTION APPLIES TO AN INVESTOR-OWNED ELECTRIC
 8 COMPANY THAT DOES NOT TRANSFER ITS GENERATION FACILITIES AND
 9 GENERATION ASSETS TO AN AFFILIATE OR SELL ITS GENERATION FACILITIES AND
 10 GENERATION ASSETS TO A NONAFFILIATE IF, ON JANUARY 1, 1999, THE RETAIL PEAK
 11 LOAD OF THE INVESTOR-OWNED ELECTRIC COMPANY IN THE STATE WAS LESS THAN
 12 1,000 MEGAWATTS.

13 (II) AN INVESTOR-OWNED ELECTRIC COMPANY TO WHICH THIS
 14 SECTION APPLIES THROUGH SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL, BY
 15 JANUARY 1, 2001:

16 1. TRANSFER ITS GENERATION FACILITIES AND
 17 GENERATION ASSETS TO AN AFFILIATE OF THE INVESTOR-OWNED ELECTRIC
 18 COMPANY THAT OPERATES THE FACILITIES AND ASSETS; OR

19 2. SELL THE GENERATION FACILITIES AND GENERATION
 20 ASSETS TO A NONAFFILIATE.

21 (C) THE EXCEPTIONS IN SUBSECTION(A)(1) OF THIS SECTION AS TO ANY
 22 ELECTRIC COMPANY SHALL REMAIN IN EFFECT UNTIL THE LATER OF:

23 (1) THE DATE WHEN ALL CUSTOMERS OF THAT ELECTRIC COMPANY
 24 ARE ELIGIBLE FOR CUSTOMER CHOICE UNDER § 7-510 OF THIS SUBTITLE;

25 (2) THE DATE WHEN THE AMOUNT OF TRANSITION COSTS OR BENEFITS
 26 ARISING FROM THE GENERATION THAT IS DEREGULATED HAS BEEN FINALLY
 27 DETERMINED BY THE COMMISSION UNDER § 7-513(A) THROUGH (C) OF THIS
 28 SUBTITLE; OR

29 (3) IF, UNDER § 7-510(C)(3)(II) OF THIS SUBTITLE, THE COMMISSION
 30 EXTENDS THE OBLIGATION TO PROVIDE STANDARD OFFER SERVICE, THE DATE ON
 31 WHICH THE COMMISSION TERMINATES THAT OBLIGATION.

32 7-510.

33 (A) (I) SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE PHASED
 34 IMPLEMENTATION OF CUSTOMER CHOICE SHALL BE IMPLEMENTED AS FOLLOWS:

35 (I) ON JULY 1, 2000, ONE-THIRD OF THE RESIDENTIAL CLASS IN
 36 THE STATE OF EACH ELECTRIC COMPANY SHALL HAVE THE OPPORTUNITY FOR
 37 CUSTOMER CHOICE;

1 (II) ON JANUARY 1, 2001, THE ENTIRE INDUSTRIAL CLASS AND THE
2 ENTIRE COMMERCIAL CLASS IN THE STATE OF EACH ELECTRIC COMPANY SHALL
3 HAVE THE OPPORTUNITY FOR CUSTOMER CHOICE;

4 (III) ON JULY 1, 2001, TWO-THIRDS OF THE RESIDENTIAL CLASS IN
5 THE STATE OF EACH ELECTRIC COMPANY SHALL HAVE THE OPPORTUNITY FOR
6 CUSTOMER CHOICE;

7 (IV) ON JULY 1, 2002, ALL CUSTOMERS OF EACH ELECTRIC
8 COMPANY SHALL HAVE THE OPPORTUNITY FOR CUSTOMER CHOICE; AND

9 (V) BY JULY 1, 2003, UNDER A SEPARATE SCHEDULE ADOPTED BY
10 THE COMMISSION, ALL CUSTOMERS OF EACH ELECTRIC COOPERATIVE SHALL HAVE
11 THE OPPORTUNITY FOR CUSTOMER CHOICE.

12 (2) (I) IN ACCORDANCE WITH THIS PARAGRAPH, THE COMMISSION
13 MAY ADOPT A SEPARATE SCHEDULE FOR MUNICIPAL ELECTRIC UTILITIES FOR THE
14 IMPLEMENTATION OF CUSTOMER CHOICE.

15 (II) A MUNICIPAL ELECTRIC UTILITY MAY NOT BE REQUIRED TO
16 MAKE ITS SERVICE TERRITORY AVAILABLE FOR CUSTOMER CHOICE UNLESS IT
17 ELECTS TO DO SO.

18 (III) IF A MUNICIPAL ELECTRIC UTILITY ELECTS TO ALLOW
19 CUSTOMER CHOICE, THE MUNICIPAL ELECTRIC UTILITY SHALL FILE A PROPOSED
20 PLAN AND SCHEDULE WITH THE COMMISSION.

21 (IV) THE COMMISSION MAY APPROVE EACH MUNICIPAL ELECTRIC
22 UTILITY PLAN AND SCHEDULE AFTER CONSIDERING THE FEATURES THAT
23 DISTINGUISH THE MUNICIPAL ELECTRIC UTILITY FROM OTHER ELECTRIC
24 COMPANIES.

25 (V) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO REQUIRE
26 THE FUNCTIONAL, OPERATIONAL, STRUCTURAL, OR LEGAL SEPARATION OF THE
27 REGULATED AND NONREGULATED OPERATIONS OF THE MUNICIPAL ELECTRIC
28 UTILITY.

29 (3) ON OR BEFORE OCTOBER 1, 2003, EACH MUNICIPAL ELECTRIC
30 UTILITY SHALL REPORT, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT
31 ARTICLE, TO THE GENERAL ASSEMBLY ON THE STATUS OF THE OPPORTUNITY FOR
32 CUSTOMER CHOICE IN ITS SERVICE TERRITORY, INCLUDING:

33 (I) IF THE SERVICE TERRITORY OF THE MUNICIPAL ELECTRIC
34 UTILITY IS AVAILABLE FOR CUSTOMER CHOICE, ITS EXPERIENCE, THROUGH JULY 1,
35 2003, WITH THE TRANSITION TO CUSTOMER CHOICE; OR

36 (II) IF THE SERVICE TERRITORY OF THE MUNICIPAL ELECTRIC
37 UTILITY IS NOT AVAILABLE FOR CUSTOMER CHOICE AS OF JULY 1, 2003, ITS
38 PROPOSED INTENTION TO MAKE CUSTOMER CHOICE AVAILABLE IN THE FUTURE.

1 (4) IF A MUNICIPAL ELECTRIC UTILITY SERVES CUSTOMERS OUTSIDE
 2 ITS DISTRIBUTION TERRITORY, ELECTRICITY SUPPLIERS LICENSED UNDER § 7-507
 3 OF THIS SUBTITLE MAY SERVE THE CUSTOMERS IN THE DISTRIBUTION TERRITORY
 4 OF THE MUNICIPAL ELECTRIC UTILITY.

5 (B) FOR GOOD CAUSE SHOWN AND IF THE COMMISSION FINDS THE ACTION
 6 TO BE IN THE PUBLIC INTEREST, THE COMMISSION MAY:

7 (1) ACCELERATE OR DELAY THE INITIAL IMPLEMENTATION DATE OF
 8 JULY 1, 2000 BY UP TO 3 MONTHS; OR

9 (2) ACCELERATE ANY OF THE OTHER IMPLEMENTATION DATES AND
 10 PHASE-IN PERCENTAGES IN SUBSECTION (A) OF THIS SECTION.

11 (C) (1) BEGINNING ON THE INITIAL IMPLEMENTATION DATE, AN ELECTRIC
 12 COMPANY'S OBLIGATION TO PROVIDE ELECTRICITY SUPPLY AND ELECTRICITY
 13 SUPPLY SERVICE IS STATED BY THIS SUBSECTION.

14 (2) ELECTRICITY SUPPLY PURCHASED FROM A CUSTOMER'S ELECTRIC
 15 COMPANY IS KNOWN AS STANDARD OFFER SERVICE. A CUSTOMER IS CONSIDERED
 16 TO HAVE CHOSEN THE STANDARD OFFER SERVICE IF THE CUSTOMER:

17 (I) IS NOT ALLOWED TO CHOOSE AN ELECTRICITY SUPPLIER
 18 UNDER THE PHASE IN OF CUSTOMER CHOICE IN SUBSECTION (A) OF THIS SECTION;

19 (II) CONTRACTS FOR ELECTRICITY WITH AN ELECTRICITY
 20 SUPPLIER AND IT IS NOT DELIVERED;

21 (III) CANNOT ARRANGE FOR ELECTRICITY FROM AN ELECTRICITY
 22 SUPPLIER;

23 (IV) DOES NOT CHOOSE AN ELECTRICITY SUPPLIER;

24 (V) CHOOSES THE STANDARD OFFER SERVICE; OR

25 (VI) HAS BEEN DENIED SERVICE OR REFERRED TO THE STANDARD
 26 OFFER SERVICE BY AN ELECTRICITY SUPPLIER IN ACCORDANCE WITH § 7-507(E)(6)
 27 OF THIS SUBTITLE.

28 (3) ANY OBLIGATION OF AN ELECTRIC COMPANY TO PROVIDE
 29 STANDARD OFFER SERVICE SHALL CEASE ON JULY 1, 2003, EXCEPT THAT:

30 (I) ELECTRIC COOPERATIVES AND MUNICIPAL ELECTRIC
 31 UTILITIES MAY CHOOSE TO CONTINUE PROVIDING STANDARD OFFER SERVICE IN
 32 THEIR RESPECTIVE DISTRIBUTION TERRITORIES, AND MAY CEASE OFFERING THAT
 33 SERVICE AFTER NOTIFYING THE COMMISSION AT LEAST 12 MONTHS IN ADVANCE;
 34 AND

35 (II) 1. IF THE COMMISSION FINDS THAT THE ELECTRICITY
 36 SUPPLY MARKET IS NOT COMPETITIVE OR THAT NO ACCEPTABLE COMPETITIVE

1 PROPOSAL HAS BEEN RECEIVED TO SUPPLY ELECTRICITY TO THOSE CUSTOMERS
 2 DESCRIBED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE COMMISSION SHALL
 3 EXTEND THE OBLIGATION TO PROVIDE STANDARD OFFER SERVICE TO RESIDENTIAL
 4 AND SMALL COMMERCIAL CUSTOMERS AT A MARKET PRICE THAT PERMITS
 5 RECOVERY OF THE VERIFIABLE, PRUDENTLY INCURRED COSTS TO PROCURE OR
 6 PRODUCE THE ELECTRICITY PLUS A REASONABLE RETURN.

7 2. THE COMMISSION SHALL REEXAMINE THE FINDING
 8 MADE UNDER THIS SUBPARAGRAPH AT LEAST ANNUALLY.

9 (4) ON OR BEFORE JULY 1, 2001, THE COMMISSION SHALL ADOPT
 10 REGULATIONS OR ISSUE ORDERS TO ESTABLISH PROCEDURES FOR THE
 11 COMPETITIVE SELECTION OF ELECTRICITY SUPPLIERS, INCLUDING AN AFFILIATE
 12 OF AN ELECTRIC COMPANY, TO PROVIDE STANDARD OFFER SERVICE TO CUSTOMERS
 13 OF ELECTRIC COMPANIES UNDER PARAGRAPH (2) OF THIS SUBSECTION, EXCEPT FOR
 14 CUSTOMERS OF ELECTRIC COOPERATIVES AND MUNICIPAL ELECTRIC UTILITIES.
 15 UNLESS DELAYED BY THE COMMISSION, THE COMPETITIVE SELECTION SHALL TAKE
 16 EFFECT NO LATER THAN JULY 1, 2003.

17 (5) AN ELECTRIC COMPANY MAY PROCURE THE ELECTRICITY NEEDED
 18 TO MEET ITS STANDARD OFFER SERVICE ELECTRICITY SUPPLY OBLIGATION FROM
 19 ANY ELECTRICITY SUPPLIER, INCLUDING AN AFFILIATE OF THE ELECTRIC COMPANY.

20 (D) NOTWITHSTANDING THE DATES SET FORTH IN THIS SECTION OR ANY
 21 OTHER LAW, CUSTOMER CHOICE MAY NOT COMMENCE UNTIL LEGISLATION IS
 22 ENACTED BY THE GENERAL ASSEMBLY TO RESTRUCTURE MARYLAND TAXES TO
 23 ADDRESS THE STATE AND LOCAL TAX IMPLICATIONS OF RESTRUCTURING THE
 24 ELECTRIC UTILITY INDUSTRY.

25 (E) THE COMMISSION SHALL, BY REGULATION OR ORDER, ADOPT
 26 PROCEDURES TO IMPLEMENT THIS SECTION, INCLUDING THE ALLOCATION OF ANY
 27 UNUSED OPPORTUNITY FOR CUSTOMER CHOICE AMONG CUSTOMER CLASSES.

28 (F) A COUNTY OR MUNICIPAL CORPORATION MAY NOT ACT AS AN
 29 AGGREGATOR UNLESS THE COMMISSION DETERMINES THERE IS NOT SUFFICIENT
 30 COMPETITION WITHIN THE BOUNDARIES OF THE COUNTY OR MUNICIPAL
 31 CORPORATION.

32 7-511.

33 (A) EXCEPT FOR ELECTRIC COOPERATIVES AND MUNICIPAL ELECTRIC
 34 UTILITIES:

35 (1) COMPETITIVE BILLING SHALL BEGIN ON JULY 1, 2000;

36 (2) COMPETITIVE METERING FOR LARGE CUSTOMERS SHALL BEGIN ON
 37 JANUARY 1, 2002; AND

38 (3) COMPETITIVE METERING FOR ALL OTHER CUSTOMERS SHALL
 39 BEGIN ON APRIL 1, 2002, OR EARLIER IF REQUESTED BY THE ELECTRIC COMPANY.

1 (B) THE COMMISSION SHALL ADOPT REGULATIONS OR ISSUE ORDERS TO
2 IMPLEMENT THIS SECTION.

3 (C) (1) A PERSON OTHER THAN AN ELECTRIC COMPANY OR A MUNICIPAL
4 ELECTRIC UTILITY MAY NOT ENGAGE IN THE BUSINESS OF COMPETITIVE BILLING
5 SERVICES IN A LOCAL JURISDICTION THAT ASSESSES A LOCAL ENERGY TAX,
6 UNLESS THE PERSON HOLDS A LICENSE ISSUED BY THAT JURISDICTION.

7 (2) AN APPLICATION FOR A LOCAL COMPETITIVE BILLING SERVICES
8 LICENSE SHALL BE MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE
9 LOCAL JURISDICTION.

10 (3) (I) A LOCAL JURISDICTION MAY REQUIRE AN APPLICANT OR
11 LICENSEE TO:

12 1. HOLD A LICENSE ISSUED BY THE COMMISSION, AS
13 PROVIDED UNDER § 7-507 OF THIS SUBTITLE;

14 2. POST A BOND OR OTHER SIMILAR INSTRUMENT IN AN
15 AMOUNT EQUAL TO 15% OF THE BOND REQUIRED UNDER § 7-507 OF THIS SUBTITLE;
16 AND

17 3. HAVE A RESIDENT AGENT IN THE STATE.

18 (II) A LOCAL JURISDICTION MAY NOT REQUIRE AN APPLICANT OR
19 LICENSEE TO PAY A FEE OR OTHER CHARGE FOR THE LOCAL LICENSE.

20 (D) (1) A LOCAL JURISDICTION MAY REVOKE OR SUSPEND THE LOCAL
21 LICENSE IF THE LICENSEE FAILS, WITHIN 15 DAYS OF THE DUE DATE ESTABLISHED
22 BY THE LOCAL JURISDICTION, TO PAY OR REMIT ALL OF THE APPLICABLE LOCAL
23 ENERGY TAXES ON SERVICES.

24 (2) A LOCAL JURISDICTION MAY REINSTATE THE LICENSE AFTER
25 PAYMENT OF ALL LOCAL ENERGY TAXES DUE.

26 (3) A LOCAL JURISDICTION MAY CHOOSE NOT TO REINSTATE A LICENSE
27 THAT HAS BEEN REVOKED OR SUSPENDED 3 TIMES IN A 12-MONTH PERIOD.

28 (4) A LOCAL JURISDICTION SHALL REPORT ANY REVOCATION OR
29 SUSPENSION OF A LICENSE TO THE COMMISSION.

30 (E) THE COMMISSION SHALL ADOPT REGULATIONS OR ISSUE AN ORDER TO
31 ESTABLISH PROCEDURES FOR THE ASSUMPTION OF BILLING RESPONSIBILITIES BY
32 THE ELECTRIC COMPANY THAT DISTRIBUTES ELECTRICITY IN THE RELEVANT
33 SERVICE TERRITORY IF A LOCAL LICENSE IS REVOKED OR SUSPENDED.

34 7-512.

35 (A) THIS SECTION AND § 7-513 OF THIS SUBTITLE APPLY TO AN ENTITY THAT
36 WAS REGULATED AS AN ELECTRIC COMPANY ON JUNE 30, 1999, WHETHER OR NOT

1 THE ENTITY OR ANY OF ITS BUSINESSES, SERVICES, OR ASSETS CONTINUES TO BE
2 REGULATED UNDER THIS ARTICLE AFTER THAT DATE.

3 (B) AN ELECTRIC COMPANY MAY RECOVER COSTS UNDER THIS SECTION TO
4 THE EXTENT THAT THE COMMISSION FINDS COSTS TO BE JUST AND REASONABLE.

5 (C) (1) AN ELECTRIC COMPANY SHALL BE PROVIDED A FAIR OPPORTUNITY
6 TO RECOVER FULLY ALL COSTS THAT HAVE BEEN OR WILL BE INCURRED BY THE
7 ELECTRIC COMPANY UNDER PUBLIC PURPOSE PROGRAMS ESTABLISHED BY LAW OR
8 ORDERED BY THE COMMISSION.

9 (2) (I) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION,
10 THE COSTS SUBJECT TO THIS SUBSECTION SHALL BE FUNDED BY A SURCHARGE OR
11 OTHER COST RECOVERY MECHANISM COLLECTED ON A STATEWIDE BASIS THAT:

12 1. FULLY RECOVERS FROM CUSTOMERS THE COSTS OF THE
13 PLANS AND PROGRAMS; AND

14 2. SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,
15 WITH RESPECT TO ANY OF THESE COSTS NOT INCLUDED IN RATES ON JANUARY 1,
16 2000, IS NOT SUBJECT TO ANY OTHERWISE APPLICABLE CAP.

17 (II) THE RECOVERY BY AN ELECTRIC COMPANY OF COSTS FOR A
18 UNIVERSAL SERVICE PROGRAM IS SUBJECT TO ANY APPLICABLE CAP REGARDLESS
19 OF WHEN THE COSTS ARE INCLUDED IN RATES.

20 (3) DURING THE FISCAL YEAR ENDING JUNE 30, 2000, AN ELECTRIC
21 COMPANY MAY NOT, UNDER PARAGRAPH (2) OF THIS SUBSECTION, RECOVER COSTS
22 OF A CONSUMER EDUCATION PROGRAM ESTABLISHED BY LAW, REGULATION, OR
23 ORDER.

24 7-512.1.

25 (A) (1) THE COMMISSION SHALL ESTABLISH A UNIVERSAL SERVICE
26 PROGRAM TO ASSIST ELECTRIC CUSTOMERS WITH ANNUAL INCOMES AT OR BELOW
27 150% OF THE FEDERAL POVERTY LEVEL.

28 (2) THE DEPARTMENT OF HUMAN RESOURCES SHALL BE RESPONSIBLE
29 FOR ADMINISTERING THE UNIVERSAL SERVICE PROGRAM THROUGH THE
30 MARYLAND ENERGY ASSISTANCE PROGRAM.

31 (3) THE DEPARTMENT OF HUMAN RESOURCES MAY, WITH INPUT FROM
32 A PANEL OR ROUNDTABLE OF INTERESTED PARTIES, CONTRACT WITH A FOR-PROFIT
33 OR A NONPROFIT MARYLAND CORPORATION EXISTING AS OF JULY 1, 1999 TO ASSIST
34 IN ADMINISTERING THE UNIVERSAL SERVICE PROGRAM.

35 (4) THE COMMISSION SHALL HAVE OVERSIGHT RESPONSIBILITY FOR
36 THE UNIVERSAL SERVICE PROGRAM.

- 1 (5) THE COMPONENTS OF THE UNIVERSAL SERVICE PROGRAM SHALL
2 INCLUDE:
- 3 (1) BILL ASSISTANCE, AT A MINIMUM OF 50% OF THE DETERMINED
4 NEED;
- 5 (II) LOW-INCOME WEATHERIZATION; AND
- 6 (III) THE RETIREMENT OF ARREARAGES THAT WERE INCURRED
7 PRIOR TO THE INITIAL IMPLEMENTATION DATE.
- 8 (B) (1) (1) ALL CUSTOMERS WILL CONTRIBUTE TO THE FUNDING OF THE
9 UNIVERSAL SERVICE PROGRAM THROUGH A CHARGE COLLECTED BY EACH
10 ELECTRIC COMPANY.
- 11 (II) IN THE FIRST 6 MONTHS AFTER THE INITIAL
12 IMPLEMENTATION DATE, THE COMMISSION SHALL CONSIDER ADJUSTMENTS TO
13 THE CHARGES COLLECTED FOR THE UNIVERSAL SERVICE PROGRAM FOR PERSONS
14 THAT ARE NOT ELIGIBLE FOR CUSTOMER CHOICE.
- 15 (2) THE COMMISSION SHALL DETERMINE A FAIR AND EQUITABLE
16 ALLOCATION FOR COLLECTING THE CHARGES AMONG ALL CUSTOMER CLASSES
17 PURSUANT TO SUBSECTION (D) OF THIS SECTION.
- 18 (3) ANY UNEXPENDED UNIVERSAL SERVICE PROGRAM FUNDS
19 RETURNED TO CUSTOMERS UNDER SUBSECTION (H) OF THIS SECTION SHALL BE
20 RETURNED TO CUSTOMER CLASSES IN THE SAME PROPORTIONS AS THEY WERE
21 COLLECTED.
- 22 (4) AN ELECTRIC COMPANY SHALL RECOVER UNIVERSAL SERVICE
23 PROGRAM COSTS IN ACCORDANCE WITH § 7-512 OF THIS SUBTITLE.
- 24 (5) THE COMMISSION SHALL DETERMINE THE ALLOCATION OF THE
25 UNIVERSAL SERVICE CHARGE AMONG THE GENERATION, TRANSMISSION, AND
26 DISTRIBUTION RATE COMPONENTS OF ALL CLASSES.
- 27 (6) THE COMMISSION MAY NOT ASSESS THE UNIVERSAL SERVICE
28 SURCHARGE ON A PER KILOWATT-HOUR BASIS.
- 29 (C) ON OR BEFORE DECEMBER 1, 1999, AND ON AN ANNUAL BASIS
30 THEREAFTER, THE COMMISSION SHALL REPORT, SUBJECT TO § 2-1246 OF THE STATE
31 GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY ON THE UNIVERSAL SERVICE
32 PROGRAM, INCLUDING:
- 33 (1) SUBJECT TO SUBSECTIONS (D) AND (E) OF THIS SECTION, A
34 RECOMMENDATION ON THE TOTAL AMOUNT OF FUNDS FOR THE PROGRAM FOR THE
35 FOLLOWING FISCAL YEAR;
- 36 (2) FOR BILL ASSISTANCE:

1 (I) THE TOTAL AMOUNT OF NEED, AS DETERMINED BY THE
 2 COMMISSION, FOR ELECTRIC CUSTOMERS WITH ANNUAL INCOMES AT OR BELOW
 3 150% OF THE FEDERAL POVERTY LEVEL AND THE BASIS FOR THIS DETERMINATION;
 4 AND

5 (II) THE PERCENTAGE OF NEED, AS DETERMINED BY THE
 6 COMMISSION, BUT AT A MINIMUM OF 50% THAT SHOULD BE FUNDED THROUGH THE
 7 UNIVERSAL SERVICE PROGRAM AND THE BASIS FOR THIS DETERMINATION;

8 (3) FOR LOW-INCOME WEATHERIZATION, THE AMOUNT OF FUNDS
 9 NEEDED, AS DETERMINED BY THE COMMISSION, FOR MEASURES THAT REDUCE
 10 CONSUMPTION OF ENERGY BY ELECTRIC CUSTOMERS WITH ANNUAL INCOMES AT
 11 OR BELOW 150% OF THE FEDERAL POVERTY LEVEL AND THE BASIS FOR THIS
 12 DETERMINATION;

13 (4) THE AMOUNT OF FUNDS NEEDED, AS DETERMINED BY THE
 14 COMMISSION, TO RETIRE ARREARAGES THAT WERE INCURRED PRIOR TO THE
 15 INITIAL IMPLEMENTATION DATE BY ELECTRIC CUSTOMERS WITH ANNUAL INCOMES
 16 AT OR BELOW 150% OF THE FEDERAL POVERTY LEVEL AND THE BASIS FOR THIS
 17 DETERMINATION;

18 (5) THE IMPACT ON CUSTOMERS' RATES, INCLUDING THE ALLOCATION
 19 AMONG CUSTOMER CLASSES, FROM COLLECTING THE TOTAL AMOUNT
 20 RECOMMENDED BY THE COMMISSION UNDER ITEM (1) OF THIS SUBSECTION; AND

21 (6) THE IMPACT OF USING OTHER FEDERAL POVERTY LEVEL
 22 BENCHMARKS ON COSTS AND THE EFFECTIVENESS OF THE UNIVERSAL SERVICE
 23 PROGRAM.

24 (D) THE TOTAL AMOUNT OF FUNDS TO BE COLLECTED FOR THE UNIVERSAL
 25 SERVICE PROGRAM IN EACH OF THE 3 YEARS FOLLOWING THE INITIAL
 26 IMPLEMENTATION DATE SHALL BE \$34,000,000, ALLOCATED IN THE FOLLOWING
 27 MANNER:

28 (1) \$24.4 MILLION SHALL BE COLLECTED FROM THE INDUSTRIAL AND
 29 COMMERCIAL CLASSES; AND

30 (2) \$9.6 MILLION SHALL BE COLLECTED FROM THE RESIDENTIAL CLASS.

31 (E) (1) THE COMMISSION SHALL RECOMMEND A TOTAL AMOUNT OF FUNDS
 32 TO BE USED FOR THE UNIVERSAL SERVICE PROGRAM FOR THE FOURTH YEAR, AND
 33 EACH YEAR THEREAFTER.

34 (2) THE RECOMMENDATION OF THE COMMISSION MAY ONLY BE MADE
 35 AFTER CONSIDERATION OF:

36 (I) INFORMATION RELATED TO THE FUNDING FOR THE FIRST 3
 37 YEARS;