

1 (II) THE RETIREMENT, DURING THE FIRST 3 YEARS, OF
 2 ARREARAGES INCURRED PRIOR TO THE INITIAL IMPLEMENTATION DATE; AND

3 (III) THE AMOUNT OF LOW-INCOME ASSISTANCE INCLUDED IN
 4 RATES PRIOR TO THE INITIAL IMPLEMENTATION DATE.

5 (F) FOR THE FOURTH YEAR AFTER THE INITIAL IMPLEMENTATION DATE, AND
 6 FOR EACH YEAR THEREAFTER, THE AMOUNT TO BE USED FOR THE UNIVERSAL
 7 SERVICE PROGRAM, DETERMINED AFTER CONSIDERATION OF THE
 8 RECOMMENDATION OF THE COMMISSION REQUIRED UNDER THIS SECTION, IS
 9 SUBJECT TO THE APPROVAL OF THE GENERAL ASSEMBLY THROUGH THE
 10 ENACTMENT OF LEGISLATION.

11 (G) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, FOR THE 3
 12 YEARS IMMEDIATELY FOLLOWING THE INITIAL IMPLEMENTATION DATE,
 13 ELECTRICITY SUPPLIERS AND ELECTRIC COMPANIES MAY NOT TERMINATE, FOR AN
 14 ARREARAGE BALANCE DUE ON THE INITIAL IMPLEMENTATION DATE, THE SUPPLY
 15 OF ELECTRICITY TO A CUSTOMER WHO RECEIVES ASSISTANCE UNDER THE
 16 UNIVERSAL SERVICE PROGRAM UNDER THIS SECTION.

17 (H) (1) IN THIS SUBSECTION, "FUND" MEANS THE UNIVERSAL SERVICE
 18 PROGRAM FUND.

19 (2) THERE IS A UNIVERSAL SERVICE PROGRAM FUND.

20 (3) (1) 1. THE COMPTROLLER SHALL COLLECT THE REVENUE
 21 COLLECTED BY ELECTRIC COMPANIES UNDER SUBSECTION (B) OF THIS SECTION
 22 AND PLACE THE REVENUE INTO THE FUND.

23 2. THE GENERAL ASSEMBLY MAY APPROPRIATE FUNDS
 24 SUPPLEMENTAL TO THE FUNDS COLLECTED UNDER SUB-SUBPARAGRAPH 1 OF THIS
 25 SUBPARAGRAPH.

26 (II) THE FUND IS A CONTINUING, NONLAPSING FUND THAT IS NOT
 27 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

28 (III) THE PURPOSE OF THE FUND IS TO ASSIST ELECTRIC
 29 CUSTOMERS AS PROVIDED IN SUBSECTION (A)(1) OF THIS SECTION.

30 (4) THE DEPARTMENT OF HUMAN RESOURCES, WITH OVERSIGHT BY
 31 THE COMMISSION, SHALL DISBURSE THE FUNDS IN ACCORDANCE WITH THE
 32 PROVISIONS OF THIS SECTION.

33 (5) IN ANY YEAR WHEN THERE ARE UNEXPENDED FUNDS, THOSE
 34 FUNDS SHALL BE RETURNED TO THE CUSTOMER CLASSES PROPORTIONATE TO HOW
 35 THE CUSTOMER CLASSES PAID INTO THE FUND.

1 7-513.

2 (A) (1) IN ACCORDANCE WITH THIS SUBSECTION, AN ELECTRIC COMPANY
 3 SHALL BE PROVIDED A FAIR OPPORTUNITY TO RECOVER ALL OF ITS PRUDENTLY
 4 INCURRED AND VERIFIABLE NET TRANSITION COSTS, SUBJECT TO FULL
 5 MITIGATION, FOLLOWING THE COMMISSION'S DETERMINATION UNDER SUBSECTION
 6 (B) OF THIS SECTION.

7 (2) A COMPETITIVE TRANSITION CHARGE, OR OTHER APPROPRIATE
 8 MECHANISM THAT THE COMMISSION DETERMINES, MAY BE INCLUDED FOR
 9 CUSTOMERS WHO ACCESS THE TRANSMISSION OR DISTRIBUTION SYSTEM OF THE
 10 ELECTRIC COMPANY IN WHOSE DISTRIBUTION TERRITORY THE CUSTOMER IS
 11 LOCATED. THE COSTS AUTHORIZED BY THE COMMISSION TO BE RECOVERED SHALL
 12 BE ALLOCATED TO CUSTOMER CLASSES IN A MANNER THAT, AS NEARLY AS
 13 REASONABLY POSSIBLE, DOES NOT EXCEED THE COST OF PROVIDING THE SERVICE
 14 TO THOSE CLASSES OF CUSTOMERS, AVOIDING WHERE REASONABLY POSSIBLE ANY
 15 INTERCLASS OR INTRAClass CROSS SUBSIDY.

16 (3) (I) THE COMPETITIVE TRANSITION CHARGE MAY BE INCLUDED ON
 17 BILLS TO CUSTOMERS FOR A PERIOD DETERMINED BY THE COMMISSION.

18 (II) THE COMMISSION MAY ESTABLISH RECOVERY PERIODS OF
 19 DIFFERENT LENGTHS FOR EACH ELECTRIC COMPANY AND FOR DIFFERENT
 20 CATEGORIES OF TRANSITION COSTS.

21 (4) A COMPETITIVE TRANSITION CHARGE, OR OTHER APPROPRIATE
 22 MECHANISM DETERMINED BY THE COMMISSION, MAY NOT APPLY TO ANY ON-SITE
 23 GENERATED ELECTRICITY TO THE EXTENT OF:

24 (I) THE EXISTING FACILITIES' INSTALLED GENERATING CAPACITY
 25 AS OF JANUARY 1, 1999;

26 (II) THE GENERATING CAPACITY OF AN EXISTING FACILITY TO BE
 27 INSTALLED UNDER A LEGALLY BINDING CONTRACT:

28 1. EXECUTED ON OR BEFORE JANUARY 1, 1999; OR

29 2. EXECUTED ON OR BEFORE SEPTEMBER 29, 1999, IF THE
 30 COMMISSION, ON A CASE BY CASE REVIEW OF THE EVIDENCE, DETERMINES THAT
 31 NEGOTIATIONS IN GOOD FAITH CONCERNING THE CONTRACT WERE ONGOING AS OF
 32 JANUARY 1, 1999; OR

33 (III) FOR A FACILITY WITH A CAPACITY OF 500 KILOWATTS OR LESS:

34 1. THE FIRST 80 MEGAWATTS OF THE AGGREGATE
 35 STATEWIDE GENERATING CAPACITY OF ON-SITE GENERATING FACILITIES;

36 2. THE GENERATING CAPACITY OF THE FACILITY IF THE
 37 FACILITY:

1 A. IS INSTALLED BETWEEN JANUARY 1, 2000 AND DECEMBER
2 31, 2003;

3 B. DERIVES ELECTRICITY FROM FUEL CELLS,
4 PHOTOVOLTAICS, WIND MACHINES, OR MICROTURBINES; AND

5 C. HAS AN ENERGY CONVERSION EFFICIENCY GREATER
6 THAN 40%; OR

7 3. THE GENERATING CAPACITY OF THE FACILITY IF THE
8 FACILITY;

9 A. IS INSTALLED AFTER JANUARY 1, 2004;

10 B. DERIVES ELECTRICITY FROM FUEL CELLS,
11 PHOTOVOLTAICS, WIND MACHINES, OR MICROTURBINES; AND

12 C. HAS AN ENERGY CONVERSION EFFICIENCY GREATER
13 THAN 50%

14 (B) THE COMMISSION SHALL DETERMINE THE TRANSITION COSTS AND THE
15 AMOUNTS OF THE TRANSITION COSTS THAT AN ELECTRIC COMPANY SHALL BE
16 PROVIDED AN OPPORTUNITY TO RECOVER UNDER ITS RESTRUCTURING PLAN
17 THROUGH THE COMPETITIVE TRANSITION CHARGE OR OTHER APPROPRIATE
18 MECHANISM.

19 (C) (1) AFTER JULY 1, 1999, AN ELECTRIC COMPANY MAY APPLY TO THE
20 COMMISSION FOR A QUALIFIED RATE ORDER FOR SOME OR ALL OF ITS TRANSITION
21 COSTS.

22 (2) IF THE COMMISSION ISSUES A QUALIFIED RATE ORDER AND THE
23 TRANSITION BONDS APPROVED BY THAT ORDER ARE SUCCESSFULLY ISSUED;

24 (1) THE ELECTRIC COMPANY SHALL IMPOSE AND COLLECT,
25 THROUGH ITS CUSTOMER BILLS, THE INTANGIBLE TRANSITION CHARGES
26 APPROVED BY THE QUALIFIED RATE ORDER; AND

27 (1) AT THE SAME TIME, THE ELECTRIC COMPANY'S COMPETITIVE
28 TRANSITION CHARGE SHALL BE REDUCED BY AN AMOUNT EQUAL TO THAT PORTION
29 OF THE COMPETITIVE TRANSITION CHARGE RELATED TO THE TRANSITION COSTS
30 FOR WHICH TRANSITION BONDS HAVE BEEN SUCCESSFULLY ISSUED, TOGETHER
31 WITH ANY COSTS OF CAPITAL RELATED TO THE TRANSITION COSTS FOR WHICH
32 RECOVERY WAS PROVIDED IN THE COMPETITIVE TRANSITION CHARGE, AS
33 PROVIDED IN THE QUALIFIED RATE ORDER.

34 (D) (1) THE COMMISSION SHALL ESTABLISH PROCEDURES FOR THE
35 ANNUAL REVIEW OF THE COMPETITIVE TRANSITION CHARGE FOR EACH ELECTRIC
36 COMPANY TO RECONCILE THE ANNUAL REVENUES RECEIVED FROM THE CHARGE
37 WITH THE ANNUAL AMORTIZATION OF TRANSITION COSTS APPROVED BY THE
38 COMMISSION UNDER THIS SECTION TO TAKE ACCOUNT OF ACTUAL

1 KILOWATT-HOUR SALES IN THE PRIOR YEAR COMPARED WITH PREVIOUSLY
 2 ESTIMATED KILOWATT-HOUR SALES. THE COMMISSION SHALL ADJUST THE
 3 COMPETITIVE TRANSITION CHARGE BASED ON ANY UNDER RECOVERY OR OVER
 4 RECOVERY WITH RESPECT TO THE AUTHORIZED AMORTIZATION AMOUNT.

5 (2) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED AS PREVENTING
 6 THE COMMISSION FROM APPROVING FOR AN INVESTOR-OWNED ELECTRIC
 7 COMPANY.

8 (I) AN ADJUSTMENT MECHANISM PROPOSED BY THE
 9 INVESTOR-OWNED ELECTRIC COMPANY IN ITS INITIAL RESTRUCTURING PROPOSAL
 10 FILED PRIOR TO JANUARY 1, 1999, THAT TAKES INTO ACCOUNT DIFFERENCES OTHER
 11 THAN DIFFERENCES IN KILOWATT-HOUR SALES, TAKING INTO CONSIDERATION ANY
 12 REQUIREMENTS RELATED TO ANY TRANSITION BONDS;

13 (II) AN ADJUSTMENT THAT TAKES INTO ACCOUNT GENERATION
 14 ASSET SALES BY AN ELECTRIC COMPANY OR AN AFFILIATE TO A NONAFFILIATE
 15 THAT ARE CONSUMMATED ON OR BEFORE JUNE 30, 2005; OR

16 (III) ANY OTHER MECHANISM AS PART OF A SETTLEMENT.

17 (E) (1) IN DETERMINING THE APPROPRIATE TRANSITION COSTS OR
 18 BENEFITS FOR EACH ELECTRIC COMPANY'S GENERATION-RELATED ASSETS, THE
 19 COMMISSION SHALL:

20 (I) CONDUCT PUBLIC HEARINGS; AND

21 (II) CONSIDER, IN ADDITION TO OTHER APPROPRIATE EVIDENCE
 22 OF VALUE:

23 1. BOOK VALUE AND FAIR MARKET VALUE;

24 2. AUCTIONS AND SALES OF COMPARABLE ASSETS;

25 3. APPRAISALS;

26 4. THE REVENUE THE COMPANY WOULD RECEIVE UNDER
 27 RATE-OF-RETURN REGULATION;

28 5. THE REVENUE THE COMPANY WOULD RECEIVE IN A
 29 RESTRUCTURED ELECTRICITY SUPPLY MARKET; AND

30 6. COMPUTER SIMULATIONS PROVIDED TO THE
 31 COMMISSION.

32 (2) THE COMMISSION SHALL DETERMINE ANY EQUITABLE ALLOCATION
 33 OF COSTS OR BENEFITS BETWEEN SHAREHOLDERS AND RATEPAYERS. IN
 34 DETERMINING THE ALLOCATION OF TRANSITION COSTS OR BENEFITS, THE
 35 COMMISSION SHALL CONSIDER THE FOLLOWING FACTORS:

- 1 (I) THE PRUDENCE AND VERIFIABILITY OF THE ORIGINAL
2 INVESTMENT;
- 3 (II) WHETHER THE INVESTMENT CONTINUES TO BE USED AND
4 USEFUL;
- 5 (III) WHETHER THE LOSS IS ONE OF WHICH INVESTORS CAN BE
6 SAID TO HAVE REASONABLY BORNE THE RISK; AND
- 7 (IV) WHETHER INVESTORS HAVE ALREADY BEEN COMPENSATED
8 FOR THE RISK.

9 7-514.

10 (A) (1) ON COMPLAINT OR ON ITS OWN MOTION, FOR GOOD CAUSE SHOWN,
11 THE COMMISSION MAY CONDUCT AN INVESTIGATION OF THE RETAIL ELECTRICITY
12 SUPPLY AND ELECTRICITY SUPPLY SERVICES MARKETS AND DETERMINE WHETHER
13 THE FUNCTION OF ONE OF THESE MARKETS IS BEING ADVERSELY AFFECTED BY
14 MARKET POWER OR ANY OTHER ANTICOMPETITIVE CONDUCT.

15 (2) THE COMMISSION SHALL MONITOR THE RETAIL ELECTRICITY
16 SUPPLY AND ELECTRICITY SUPPLY SERVICES MARKETS TO ENSURE THAT THE
17 MARKETS ARE NOT BEING ADVERSELY AFFECTED BY MARKET POWER OR ANY
18 OTHER ANTICOMPETITIVE CONDUCT.

19 (B) IF, AS A RESULT OF AN INVESTIGATION CONDUCTED UNDER THIS
20 SECTION, THE COMMISSION DETERMINES THAT MARKET POWER OR ANY OTHER
21 ANTICOMPETITIVE CONDUCT IN THE RELEVANT MARKET UNDER THE
22 COMMISSION'S JURISDICTION IS PREVENTING THE ELECTRIC CUSTOMERS IN THE
23 STATE FROM OBTAINING THE BENEFITS OF PROPERLY FUNCTIONING RETAIL
24 ELECTRICITY SUPPLY AND ELECTRICITY SUPPLY SERVICES MARKETS, THE
25 COMMISSION MAY TAKE REMEDIAL ACTIONS WITHIN ITS AUTHORITY TO ADDRESS
26 THE IMPACT OF THE MARKET POWER OR ANY OTHER ANTICOMPETITIVE CONDUCT
27 ACTIVITIES.

28 (C) THE COMMISSION SHALL INCLUDE ANTITRUST PRINCIPLES IN
29 PERFORMING ITS ANALYSIS UNDER THIS SECTION.

30 (D) THE COMMISSION SHALL COOPERATE WITH AND SHARE INFORMATION
31 WITH THE ANTITRUST DIVISION OF THE OFFICE OF THE ATTORNEY GENERAL.

32 (E) THE RIGHTS AND REMEDIES PROVIDED IN THIS SECTION SUPPLEMENT
33 ANY OTHER RIGHTS OR REMEDIES THAT MAY EXIST UNDER STATE OR FEDERAL LAW
34 OR COMMON LAW.

35 7-515.

36 AN ELECTRICITY SUPPLIER THAT ALSO PROVIDES DISTRIBUTION SERVICE, OR
37 THAT HAS AN AFFILIATE THAT PROVIDES DISTRIBUTION SERVICE, IN
38 PENNSYLVANIA, DELAWARE, WEST VIRGINIA, VIRGINIA, OR THE DISTRICT OF

1 COLUMBIA MAY NOT PROVIDE RETAIL ELECTRICITY SUPPLY SERVICE, DIRECTLY,
2 INDIRECTLY, OR THROUGH AN AGGREGATOR, MARKETER, OR BROKER, IN THE
3 DISTRIBUTION TERRITORY OF AN UNAFFILIATED ELECTRIC COMPANY UNLESS
4 THERE IS ELECTRICITY SUPPLY COMPETITION IN AT LEAST A PORTION OF THE
5 DISTRIBUTION SERVICE AREA OF THE ELECTRICITY SUPPLIER OR AFFILIATE.

6 7-516.

7 (A) AN ELECTRIC COMPANY SHALL CONTINUE TO PURCHASE ELECTRICITY
8 UNDER ANY CONTRACT IN EFFECT ON JANUARY 1, 1999, WITH A RENEWABLE ENERGY
9 RESOURCE FACILITY LOCATED IN THE STATE UNTIL THE LATER OF THE EXPIRATION
10 OF THE CONTRACT OR THE EXPIRATION OR SATISFACTION OF BONDS EXISTING ON
11 JANUARY 1, 1999, SUPPORTING THE FACILITY.

12 (B) AN INVESTOR-OWNED ELECTRIC COMPANY SHALL CONTINUE TO
13 PROVIDE AT LEAST THE SAME PERCENTAGE OF ELECTRICITY FROM AVAILABLE
14 RENEWABLE ENERGY RESOURCES, AT A REASONABLY COMPARABLE COST, AS THE
15 ELECTRIC COMPANY PROVIDED IN 1998.

16 (C) ON OR BEFORE FEBRUARY 1, 2000, THE COMMISSION, IN CONSULTATION
17 WITH THE MARYLAND ENERGY ADMINISTRATION, SHALL REPORT TO THE
18 GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO
19 THE GENERAL ASSEMBLY ON THE FEASIBILITY OF REQUIRING A RENEWABLES
20 PORTFOLIO STANDARD, INCLUDING THE FEASIBILITY AND STRUCTURE OF A
21 TWO-TIERED STANDARD, AND THE ESTIMATED COSTS AND BENEFITS OF
22 ESTABLISHING THIS REQUIREMENT.

23 (D) (1) (1) IN RECOGNITION OF THE POTENTIAL ENVIRONMENTAL
24 IMPACTS OF RESTRUCTURING THE ELECTRIC INDUSTRY, IT IS THE INTENT OF THE
25 GENERAL ASSEMBLY TO MINIMIZE THE EFFECTS OF ELECTRIC RESTRUCTURING ON
26 THE ENVIRONMENT.

27 (II) ELECTRIC COMPANIES IN MARYLAND SHALL CONDUCT A
28 STUDY THAT TRACKS SHIFTS IN GENERATION AND EMISSIONS AS A RESULT OF
29 RESTRUCTURING THE ELECTRIC INDUSTRY.

30 (III) THE STUDY SHALL BE SUBMITTED TO THE DEPARTMENT OF
31 THE ENVIRONMENT AND THE COMMISSION ONE YEAR AFTER THE INITIAL DATE OF
32 IMPLEMENTATION OF CUSTOMER CHOICE.

33 (2) IF, AFTER REVIEW OF THE STUDY REQUIRED UNDER PARAGRAPH (1)
34 OF THIS SUBSECTION, THE DEPARTMENT OF THE ENVIRONMENT DETERMINES
35 THAT THE EMISSIONS LEVELS IMPOSE A HIGHER EMISSION BURDEN IN MARYLAND,
36 THE DEPARTMENT OF THE ENVIRONMENT, IN CONSULTATION WITH THE
37 COMMISSION, SHALL STUDY THE APPROPRIATENESS, CONSTITUTIONALITY, AND
38 FEASIBILITY OF ESTABLISHING AN AIR QUALITY SURCHARGE OR OTHER
39 MECHANISM TO PROTECT MARYLAND'S ENVIRONMENT IN CONNECTION WITH THE
40 IMPLEMENTATION OF CUSTOMER CHOICE OF ELECTRICITY SUPPLIERS.

1 7-517.

2 THIS SUBTITLE MAY BE REFERRED TO AS "THE ELECTRIC CUSTOMER CHOICE
3 AND COMPETITION ACT OF 1999".

4 7-518. RESERVED.

5 Article - Commercial Law

6 9-104.

7 This title does not apply

8 (m) To a transfer of an interest in a letter of credit other than the
9 rights to proceeds of a written letter of credit; OR

10 (N) TO INTANGIBLE TRANSITION PROPERTY AS DEFINED IN § 7-501
11 OF THE PUBLIC UTILITY COMPANIES ARTICLE.

12 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 4-403 of the
13 Public Utility Companies Article of the Annotated Code of Maryland be repealed. Any
14 net accumulated over recovery or under recovery of actual fuel costs by each electric
15 company as of the initial implementation date under Title 7, Subtitle 5 of the Public
16 Utility Companies Article, as enacted by this Act, shall be credited or debited, as
17 appropriate, to the electric company's rates and shall be refunded or collected, as
18 appropriate, over a period not to exceed 12 months.

19 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland
20 read as follows:

21 Article - Public Utility Companies

22 7-203.

23 (a) (1) The Commission shall:

24 (i) impose an environmental surcharge per kilowatt hour of
25 electricity [generated] ~~DISTRIBUTED TO RETAIL ELECTRIC CUSTOMERS~~ within the
26 State; and

27 (ii) authorize each electric company to add the full amount of the
28 surcharge to its customers' bills.

29 (2) To the extent that an electric company fails to collect the surcharge
30 from its customers, the amount uncollected shall be deemed a cost of power
31 [generation] ~~DISTRIBUTION~~ and allowed and computed as such together with other
32 allowable expenses for purposes of rate-making.

1 (b) (1) The Comptroller shall collect the revenue from the surcharge imposed
 2 under subsection (a) of this section and place the revenue into a special fund, the
 3 Environmental Trust Fund.

4 (2) The Comptroller shall maintain the method of collection of the
 5 surcharge from each electric company, and the money collected shall accrue to the
 6 Fund.

7 (c) (1) Each fiscal year, the Secretary of Natural Resources shall coordinate
 8 the preparation of the annual budget required to carry out the provisions of the Power
 9 Plant Research Program under Title 3, Subtitle 3 of the Natural Resources Article.

10 (2) Each fiscal year, on approval of the annual budget by the General
 11 Assembly for the Power Plant Research Program, the Commission shall establish the
 12 amount of the environmental surcharge per kilowatt hour of electric energy
 13 [generated] DISTRIBUTED in the State that is to be imposed on each electric company
 14 in accordance with subsection (a) of this section.

15 (d) (1) Notwithstanding any other provision of this subtitle, the amount of
 16 the surcharge for each account OF EACH RETAIL ELECTRIC CUSTOMER may not exceed
 17 the lesser of 0.15 mill per kilowatt hour or \$1,000 per month.

18 (2) The Department of Natural Resources shall credit against the amount
 19 the Commission requires each electric company to pay into the Environmental Trust
 20 Fund 1.5% of the total surcharge amount attributed to the electric company on the
 21 basis of the amount of the electricity [generated] DISTRIBUTED in the State.

22 (e) The surcharge imposed under this subtitle shall terminate on June 30,
 23 [2000] 2005.

24 **Article - Natural Resources**

25 3-302.

26 (a) There is an Environmental Trust Fund. For the purpose of this subtitle,
 27 there is established as an added cost of [generation] ELECTRICITY DISTRIBUTED TO
 28 RETAIL ELECTRIC CUSTOMERS WITHIN THE STATE, an environmental surcharge per
 29 kilowatt hour of electric energy [generated] DISTRIBUTED in the State to be paid by
 30 any electric company as defined in § 1-101 of the Public Utility Companies Article.
 31 [This surcharge initially shall be assessed at 0.1 mill per kilowatt hour as of January
 32 1, 1972.] The Public Service Commission shall impose the surcharge per kilowatt hour
 33 of electric energy [generated] DISTRIBUTED TO RETAIL ELECTRIC CUSTOMERS
 34 within the State and shall authorize the electric companies to add the full amount of
 35 the surcharge to RETAIL ELECTRIC customers' bills. To the extent that the surcharge is
 36 not collected from RETAIL ELECTRIC customers, the surcharge shall be deemed a cost
 37 of [generation] DISTRIBUTION and shall be allowed and computed as such, together
 38 with other allowable expenses, for rate-making purposes. Revenues from the surcharge
 39 shall be collected by the Comptroller and placed in the Fund.

1 (b) (1) The Secretary, in consultation with the Director of the Maryland
2 Energy Administration, annually shall coordinate the preparation of a budget
3 required to carry out the provisions of this subtitle. Upon approval of the budget by the
4 General Assembly, the Public Service Commission shall establish the amount of the
5 surcharge per kilowatt hour for the fiscal year beginning July 1, 1972, and for each
6 subsequent fiscal year.

7 (2) Notwithstanding any other provisions of this subtitle, the amount of
8 the surcharge for each account FOR EACH RETAIL ELECTRIC CUSTOMER may not
9 exceed the lesser of 0.15 [mil] MILL per kilowatt hour or \$1,000 per month and the
10 surcharge may not continue beyond Fiscal Year [2000] 2005.

11 (3) The Comptroller shall maintain the method of collection of the
12 surcharge from the companies and the collections shall accrue to the Fund. The
13 Department shall credit against the amount required to be paid into the
14 Environmental Trust Fund by each electric company an amount equal to 1 1/2% of the
15 total surcharge attributed to each company on the basis of the electricity [generated]
16 DISTRIBUTED within Maryland.

17 (c) The Secretary shall administer the Fund. The Fund is subject to the
18 provisions for financial management and budgeting established by the Department of
19 Budget and Management. The moneys in the Fund shall be used to carry out the
20 provisions of this subtitle as provided for in the budget, except that 10% of all moneys
21 accruing to the Fund from July 1, 1978 through June 30, 1983 shall be used to
22 supplement funds necessary to carry out the duties of the People's Counsel of the Public
23 Service Commission. The People's Counsel shall submit an annual budget of necessary
24 supplemental funds to the Department to be incorporated in the Department's budget.
25 For the purposes of this subtitle, the Secretary, in consultation with the Director of the
26 Maryland Energy Administration, may execute appropriate contracts with any State
27 or federal agency, research organization, industry, or academic institution to conduct
28 the necessary research, construct or acquire, or both, real property including physical
29 predictive models, laboratories, buildings, land, and appurtenances, or support the
30 technological development of extraordinary systems related to power plants designed to
31 minimize environmental impact. [He] THE SECRETARY may utilize available
32 expertise in any other State unit in the development, execution, and management of
33 contracts and agreements on projects relating to their areas of prime responsibility.

34 (d) (1) The Maryland Energy Administration shall receive administrative
35 and fiscal support from the Fund for studies relating to the conservation or production
36 of electric energy.

37 (2) Fiscal support to the Maryland Energy Administration from the Fund
38 may not exceed \$250,000 in any fiscal year.

39 (e) The Legislative Auditor shall conduct post audits of a fiscal and
40 compliance nature of the Fund and of the appropriations and expenditures made for
41 the purposes of this subtitle. The cost of the fiscal portion of the post audit
42 examinations shall be an operating cost of the Fund.

1 SECTION 4. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall
2 take effect July 1, 2000, provided that, if the Public Service Commission delays
3 implementation of customer choice in accordance with the provisions of § 7-510(b) of
4 the Public Utility Companies Article, the surcharge funding the Environmental Trust
5 Fund pursuant to § 7-203 of the Public Utility Companies Article shall continue to be
6 collected as a per kilowatt hour surcharge on electricity generated within the State
7 until customer choice is implemented.

8 SECTION 5. AND BE IT FURTHER ENACTED, That the Governor is
9 authorized to submit a budget amendment for the fiscal year ending June 30, 2000,
10 transferring \$6,000,000 from the Revenue Stabilization Fund to be used for the
11 purpose of educating consumers on electric utility industry restructuring. In
12 accordance with § 7-505(f) of the Public Utility Companies Article, the Public Service
13 Commission shall use the allocated funds during the fiscal year ending June 30, 2000,
14 to implement a consumer education program informing customers of changes in the
15 electric industry. On or before September 1, 1999, the Public Service Commission shall
16 report to the Governor and, subject to § 2-1246 of the State Government Article, to the
17 General Assembly on: (1) the recommended funding level, between \$3,000,000 and
18 \$6,000,000, for the consumer education program for the fiscal year ending June 30,
19 2001; (2) the recommended method of funding for the program; (3) if applicable, the
20 impact that the funding method will have on customers' costs for electricity; and (4) the
21 content of the media used in the program. On or before September 1, 2000, the Public
22 Service Commission shall report to the Governor and, subject to § 2-1246 of the State
23 Government Article, to the General Assembly on: (1) the recommended funding level,
24 between \$3,000,000 and \$6,000,000, for the consumer education program for the fiscal
25 year ending June 30, 2002; (2) the recommended method of funding for the
26 program; (3) if applicable, the impact that the funding method will have on customers'
27 costs for electricity; and (4) the content of the media used in the program.

28 SECTION 6. AND BE IT FURTHER ENACTED, That, on or before December 1,
29 1999, the Public Service Commission shall report to the Governor and, subject to §
30 2-1246 of the State Government Article, to the General Assembly on: (1) the
31 determinations of any transition costs or any transition benefits for the various electric
32 companies; and (2) the status of the Public Service Commission's considerations
33 regarding the functional, operational, structural, or legal separation between electric
34 companies' regulated businesses and their nonregulated businesses or nonregulated
35 affiliates.

36 SECTION 7. AND BE IT FURTHER ENACTED, That if any provision of this
37 Act or the application thereof to any person or circumstance is held invalid for any
38 reason in a court of competent jurisdiction, the invalidity does not affect other
39 provisions or any other application of this Act which can be given effect without the
40 invalid provision or application, and for this purpose the provisions of this Act are
41 declared severable.

42 SECTION 8. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
43 take effect on the later of July 1, 2000, and the initial implementation date that the
44 Public Service Commission determines for investor-owned utilities under § 7-510(b)(1)
45 of the Public Utility Companies Article, as enacted by this Act.

1 SECTION 9. AND BE IT FURTHER ENACTED, That, except as provided in
 2 Sections 4 and 8 of this Act, this Act shall take effect July 1, 1999.

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

5 ~~Article – Public Utility Companies~~

6 ~~1-101.~~

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

8 (B) (1) ~~"AGGREGATOR" MEANS AN ENTITY OR, INCLUDING A COUNTY OR~~
 9 ~~MUNICIPAL CORPORATION, OR AN INDIVIDUAL THAT ACTS ON BEHALF OF A~~
 10 ~~CUSTOMER TO PURCHASE ELECTRICITY.~~

11 (2) ~~"AGGREGATOR" DOES NOT INCLUDE:~~

12 (i) ~~AN ENTITY OR INDIVIDUAL THAT PURCHASES ELECTRICITY~~
 13 ~~FOR ITS OWN USE OR FOR THE USE OF ITS SUBSIDIARIES OR AFFILIATES; OR~~

14 (ii) ~~A MUNICIPAL ELECTRIC UTILITY SERVING ONLY IN ITS~~
 15 ~~DISTRIBUTION TERRITORY.~~

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

19 (b) (D) ~~"Commission" means the Public Service Commission.~~

20 (e) (E) (1) ~~"Common carrier" means a person, public authority, or federal,~~
 21 ~~State, district, or municipal transportation unit that is engaged in the public~~
 22 ~~transportation of persons for hire, by land, water, air, or any combination of them.~~

23 (2) ~~"Common carrier" includes:~~

24 (i) ~~an airline company;~~

25 (ii) ~~a car company, motor vehicle company, automobile company, or~~
 26 ~~motor bus company;~~

27 (iii) ~~a power boat company, vessel boat company, steamboat~~
 28 ~~company, or ferry company;~~

29 (iv) ~~a railroad company, street railroad company, or sleeping car~~
 30 ~~company;~~

31 (v) ~~a taxicab company;~~

32 (vi) ~~a toll bridge company; and~~

- 1 (vii) a transit company.
- 2 (3) "Common carrier" does not include:
- 3 (i) a county revenue authority;
- 4 (ii) a toll bridge or other facility owned and operated by a county
5 revenue authority; or
- 6 (iii) a vanpool or launch service.
- 7 ~~[(d)]~~ (F) "Company", as a designation for a type of enterprise, includes a
8 person that owns a company individually or as an agent, trustee, or receiver of a
9 company.
- 10 ~~[(e)]~~ (G) "County" means a county of the State or Baltimore City.
- 11 ~~[(f)]~~ (H) (1) "Electric company" means a [public service company that:
- 12 (i) owns an electric plant and transmits, sells, or distributes
13 electricity;
- 14 (ii) generates electricity for distribution or sale; or
- 15 (iii) is authorized to install or maintain facilities in, over, or under
16 streets for furnishing or distributing electricity.
- 17 (2) "Electric company" includes a municipal corporation that is in the
18 business of supplying electricity for other than municipal purposes] ~~PERSON WHO~~
19 ~~PHYSICALLY TRANSMITS OR DISTRIBUTES ELECTRICITY IN THE STATE TO A RETAIL~~
20 ~~ELECTRIC CUSTOMER.~~
- 21 ~~[(3)]~~ (2) "Electric company" does not include [a company that generates
22 or transmits electricity exclusively for its own use]:
- 23 (4) THE FOLLOWING PERSONS WHO SUPPLY ELECTRICITY AND
24 ELECTRICITY SUPPLY SERVICES SOLELY TO OCCUPANTS OF A BUILDING FOR USE BY
25 THE OCCUPANTS:
- 26 1. AN OWNER/OPERATOR WHO HOLDS OWNERSHIP IN AND
27 MANAGES THE INTERNAL DISTRIBUTION SYSTEM SERVING THE BUILDING; OR
- 28 2. A LESSEE/OPERATOR WHO HOLDS A LEASEHOLD
29 INTEREST IN AND MANAGES THE INTERNAL DISTRIBUTION SYSTEM SERVING THE
30 BUILDING;
- 31 (4) ANY PERSON WHO GENERATES ON-SITE GENERATED
32 ELECTRICITY; OR

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

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

7 (J) (1) "ELECTRICITY SUPPLIER" MEANS A PERSON;

8 (II) WHO SELLS:

9 1. ELECTRICITY OR;

10 2. ELECTRICITY SUPPLY SERVICES OR;

11 3. COMPETITIVE BILLING SERVICES; OR

12 4. COMPETITIVE METERING SERVICES; OR

13 (III) WHO PURCHASES, BROKERS, ARRANGES, OR MARKETS
 14 ELECTRICITY OR ELECTRICITY SUPPLY SERVICES FOR SALE TO A RETAIL ELECTRIC
 15 CUSTOMER.

16 (2) "ELECTRICITY SUPPLIER" INCLUDES AN ELECTRIC COMPANY,
 17 AGGREGATOR, BROKER, AND MARKETER.

18 (3) "ELECTRICITY SUPPLIER" DOES NOT INCLUDE:

19 (I) THE FOLLOWING PERSONS WHO SUPPLY ELECTRICITY AND
 20 ELECTRICITY SUPPLY SERVICES SOLELY TO OCCUPANTS OF A BUILDING FOR USE BY
 21 THE OCCUPANTS:

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

24 2. A LESSEE/OPERATOR WHO HOLDS A LEASEHOLD
 25 INTEREST IN AND MANAGES THE INTERNAL DISTRIBUTION SYSTEM SERVING THE
 26 BUILDING; OR

27 (II) A PERSON WHO GENERATES ON-SITE GENERATED
 28 ELECTRICITY.

29 ~~[(h)]~~ (K) (1) "Gas company" means a public service company that:

30 (i) is authorized to install or maintain facilities in, over, or under
 31 streets for furnishing or distributing gas; or

32 (ii) owns a gas plant and:

1 ~~[(n)]~~ (S) ~~(T)~~ "Plant" includes all material, equipment, and property owned
 2 by a public service company and used or to be used for or in connection with a public
 3 utility service.

4 ~~[(o)]~~ (F) ~~(U)~~ "Proceeding" includes an action, complaint, hearing,
 5 investigation, trial, appeal, order, or similar matter pending before, made, or
 6 conducted by an official body.

7 ~~[(p)]~~ (U) ~~(V)~~ "Public service company" means a common carrier company,
 8 electric company, gas company, sewage disposal company, steam heating company,
 9 telegraph company, telephone company, water company, or any combination of public
 10 service companies.

11 ~~[(q)]~~ (V) ~~(W)~~ (1) "Railroad" means a common carrier by rail powered in any
 12 manner.

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

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

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

19 (i) the amount of a charge; or

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

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

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

25 (Y) ~~(Z)~~ "RENEWABLE ENERGY RESOURCE" MEANS ONE OR MORE OF THE
 26 FOLLOWING SOURCES OF ENERGY, ENERGY TECHNOLOGY, OR RELATED CREDIT:

27 (1) SOLAR;

28 (2) WIND;

29 (3) TIDAL;

30 (4) GEOTHERMAL;

31 (5) BIOMASS, INCLUDING WASTE TO ENERGY AND LANDFILL GAS
 32 RECOVERY;

33 (6) HYDROELECTRIC FACILITIES;

- 1 (7) DIGESTER GAS; AND
- 2 (8) A MANUFACTURING OR COMMERCIAL WASTE TO ENERGY SYSTEM
3 OR FACILITY.
- 4 (Z) (AA) (1) "RETAIL ELECTRIC CUSTOMER" MEANS A PURCHASER OF
5 ELECTRICITY FOR END USE IN THE STATE.
- 6 (2) "RETAIL ELECTRIC CUSTOMER" EXCLUDES:
- 7 (I) AN OCCUPANT OF A BUILDING IN WHICH THE
8 OWNER/OPERATOR OR LESSEE/OPERATOR MANAGES THE INTERNAL DISTRIBUTION
9 SYSTEM SERVING THE BUILDING AND SUPPLIES ELECTRICITY AND ELECTRICITY
10 SUPPLY SERVICES SOLELY TO OCCUPANTS OF THE BUILDING FOR USE BY THE
11 OCCUPANTS; AND
- 12 (II) A PERSON WHO GENERATES ON-SITE GENERATED
13 ELECTRICITY, TO THE EXTENT THE ON-SITE GENERATED ELECTRICITY IS
14 CONSUMED BY THAT PERSON OR ITS TENANTS.
- 15 {(t)} (AA) (BB) "Sewage disposal company" means a privately-owned public
16 service company that owns or maintains facilities for the disposal of sewage.
- 17 {(u)} (BB) (CC) "Small rural electric cooperative" means an electric company
18 that:
- 19 (1) serves only the consumers that exclusively own and control the
20 company;
- 21 (2) conducts its business on a not-for-profit basis; and
- 22 (3) supplies electricity to less than 1,000 electric meters in the State.
- 23 {(v)} (CC) (DD) "State" means:
- 24 (1) a state, possession, territory, or commonwealth of the United States;
25 or
- 26 (2) the District of Columbia.
- 27 {(w)} (DD) (EE) "Steam heating company" means a public service company that
28 manufactures, sells, or distributes steam for use, sale, or distribution.
- 29 {(x)} (EE) (FF) "Street railroad" means a railroad:
- 30 (1) that is not part of a trunk line railway system; and
- 31 (2) whose routes are mainly within Baltimore City or a municipal
32 corporation with a population of at least 2,000.
- 33 {(y)} (FF) (GG) (1) "Taxicab" means a motor vehicle for hire that:

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

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

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

8 ~~[(z)]~~ (GG) ~~(HH)~~ "Telegraph company" means a public service company that:

9 (1) owns telegraph lines to receive, transmit, or communicate telegraphic
10 communications; or

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

12 ~~[(aa)]~~ (HH) ~~(II)~~ "Telegraph lines" means the material, equipment, and
13 property owned by a telegraph company and used or to be used for or in connection
14 with telegraph service.

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

16 (i) owns telephone lines to receive, transmit, or communicate
17 telephone or teletype communications; or

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

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

20 ~~[(cc)]~~ (JJ) ~~(KK)~~ "Telephone lines" means the material, equipment, and property
21 owned by a telephone company and used or to be used for or in connection with
22 telephone service.

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

25 ~~[(ee)]~~ (LL) ~~(MM)~~ (1) "Transportation of persons for hire" means the
26 transportation of persons by:

27 (i) regularly scheduled operations;

28 (ii) charter or contract operations; or

29 (iii) tour or sightseeing operations.

30 (2) "Transportation of persons for hire" includes the transportation of
31 persons, whether on the cooperative plan, carried by a corporation, group, or
32 association engaged in the transportation of its stockholders, shareholders, or
33 members.

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

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

6 2-118.

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

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

12 (c) The Commission shall require each electric company in the State to
13 include in the long range plan ~~[adequate]~~ COST-EFFECTIVE provisions to promote
14 energy conservation to decrease or moderate electric and, as appropriate, natural gas
15 demand FOR REGULATED SERVICE from customers.

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

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

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

26 4-201.

27 In accordance with the provisions of this article, a public service company shall
28 charge just and reasonable rates for the ~~[utility]~~ REGULATED services that it
29 renders.

30 4-202.

31 (a) A public service company shall file with the Commission a tariff schedule
32 of its rates and charges ~~FOR ITS REGULATED SERVICES AND FOR STANDARD OFFER~~
33 ~~SERVICE AS PROVIDED IN § 7-505(B)(9) OF THIS ARTICLE.~~

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

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

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

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

4 7-201.

5 (a) ~~{In cooperation with the Secretary of Natural Resources as provided under
6 § 3-304 of the Natural Resources Article, the Commission shall assemble and
7 evaluate annually the long-range plans of the State's electric companies regarding
8 generating needs and the means to meet those needs.~~

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

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

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

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

23 ~~{(e)} (B) (1) The Commission shall evaluate the cost-effectiveness of the
24 investments by electric companies in energy conservation to reduce electrical demand
25 and in renewable energy sources to help meet electrical demand.~~

26 (2) The evaluation of investments shall include:

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

31 (ii) utilization of renewable energy sources;

32 (iii) promotion and utilization of electricity from cogeneration and
33 wastes; and

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

1 7-207.

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

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

9 (b) ~~[An electric company may not begin construction in the State of a~~
 10 ~~generating station or of an overhead transmission line that is designed to carry a~~
 11 ~~voltage in excess of 69,000 volts, or exercise the right of condemnation in connection~~
 12 ~~with the construction, unless] UNLESS a certificate of public convenience and~~
 13 ~~necessity for the construction is first obtained from the Commission:~~

14 (1) ~~A PERSON MAY NOT BEGIN CONSTRUCTION IN THE STATE OF A~~
 15 ~~GENERATING STATION OR EXERCISE A RIGHT OF CONDEMNATION IN CONNECTION~~
 16 ~~WITH THE CONSTRUCTION; AND~~

17 (2) ~~AN ELECTRIC COMPANY MAY NOT BEGIN CONSTRUCTION OF AN~~
 18 ~~OVERHEAD TRANSMISSION LINE THAT IS DESIGNED TO CARRY A VOLTAGE IN~~
 19 ~~EXCESS OF 69,000 VOLTS OR EXERCISE A RIGHT OF CONDEMNATION IN CONNECTION~~
 20 ~~WITH THE CONSTRUCTION.~~

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

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

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

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

37 (3) ~~Once in each of the 2 successive weeks immediately before the~~
 38 ~~hearing date, the Commission shall provide weekly notice of the public hearing by~~
 39 ~~advertisement in a newspaper of general circulation in the county or municipal~~
 40 ~~corporation affected by the application.~~

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

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

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

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

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

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

13 (i) [the stability and reliability of the electric system;

14 (ii) economics;

15 [(iii)] (ii) esthetics;

16 [(iv)] (iii) historic sites;

17 [(v)] (iv) aviation safety as determined by the Maryland Aviation
18 Administration and the administrator of the Federal Aviation Administration;

19 [(vi)] (v) when applicable, air and water pollution; and

20 [(vii)] (vi) the availability of means for the required timely disposal
21 of wastes produced by any generating station.

22 (f) FOR THE CONSTRUCTION OF AN OVERHEAD TRANSMISSION LINE, IN
23 ADDITION TO THE CONSIDERATIONS LISTED IN SUBSECTION (E) OF THIS SECTION,
24 THE COMMISSION SHALL TAKE FINAL ACTION ON AN APPLICATION FOR A
25 CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY ONLY AFTER DUE
26 CONSIDERATION OF THE FOLLOWING ADDITIONAL FACTORS:

27 (1) THE NEED TO MEET EXISTING AND FUTURE DEMAND FOR ELECTRIC
28 SERVICE; AND

29 (2) THE EFFECT OF THE OVERHEAD TRANSMISSION LINE ON THE
30 STABILITY AND RELIABILITY OF THE ELECTRIC SYSTEM.

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

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

4 (ii) the Maryland Aviation Administration concurs in that
5 determination.

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

10 ~~7-211.~~

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

15 (b) ~~The Commission shall:~~

16 (1) ~~require each gas company and electric company to establish any~~
17 ~~program or service that the Commission deems appropriate and cost effective to~~
18 ~~encourage and promote the efficient use and conservation of energy; and~~

19 (2) ~~adopt rate-making policies that provide cost recovery and, in~~
20 ~~appropriate circumstances, reasonable financial incentives for gas companies and~~
21 ~~electric companies to establish programs and services that encourage and promote the~~
22 ~~efficient use and conservation of energy.~~

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 THE FOLLOWING CRITERIA:~~

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

29 (G) "DISTRIBUTION TERRITORY" MEANS THE GEOGRAPHIC AREA IN WHICH AN
30 ELECTRIC COMPANY WAS PROVIDING ELECTRIC TRANSMISSION OR DISTRIBUTION
31 SERVICES TO CUSTOMERS ON JULY 1, 1999, SUBJECT TO MODIFICATION AS
32 SPECIFIED IN § 7-210 OF THIS TITLE.

33 (H) "INITIAL IMPLEMENTATION DATE" MEANS:

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

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

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

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

8 ~~(J) "INTANGIBLE TRANSITION PROPERTY" MEANS THE RIGHT, TITLE, AND~~
9 ~~INTEREST OF AN ELECTRIC COMPANY OR ASSIGNEE IN A QUALIFIED RATE ORDER,~~
10 ~~INCLUDING:~~

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

15 ~~(2) IN THE HANDS OF AN ASSIGNEE:~~

16 ~~(I) THE RIGHT TO REQUIRE THE ELECTRIC COMPANY TO PROVIDE~~
17 ~~ELECTRIC SERVICES, AND TO COLLECT AND REMIT THE INTANGIBLE TRANSITION~~
18 ~~CHARGES AUTHORIZED IN THE QUALIFIED RATE ORDER; BUT~~

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

20 ~~(K) (1) "PUBLIC PURPOSE PROGRAM" MEANS A PROGRAM IMPLEMENTED~~
21 ~~WITH THE INTENTION OF FURTHERING A PUBLIC PURPOSE.~~

22 ~~(2) "PUBLIC PURPOSE PROGRAM" INCLUDES:~~

23 ~~(I) A UNIVERSAL SERVICE PROGRAM;~~

24 ~~(II) A PROGRAM ENCOURAGING RENEWABLE ENERGY RESOURCES;~~
25 ~~OR~~

26 ~~(3) ANOTHER PROGRAM IMPLEMENTED WITH THE INTENTION OF~~
27 ~~FURTHERING A PUBLIC PURPOSE~~

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

30 ~~(IV) A CONSUMER EDUCATION PROGRAM.~~

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

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

7 (O) "TRANSITION COSTS" MEANS A COST, LIABILITY, OR INVESTMENT THAT:

8 (1) TRADITIONALLY WOULD HAVE BEEN OR WOULD BE RECOVERABLE
9 UNDER RATE OF RETURN REGULATION, INCLUDING RETAIL RATES FOR THE
10 PROVISION OF ELECTRIC SERVICE, BUT WHICH MAY NOT BE RECOVERABLE IN A
11 RESTRUCTURED ELECTRICITY SUPPLY MARKET; OR

12 (2) WHICH ARISE AS A RESULT OF ELECTRIC INDUSTRY
13 RESTRUCTURING; AND

14 (2) IS RELATED TO THE CREATION OF CUSTOMER CHOICE.

15 (P) (1) "UNIVERSAL SERVICE PROGRAM" MEANS A POLICY, PROTECTION, OR
16 SERVICE THAT HELPS LOW-INCOME CUSTOMERS MAINTAIN ELECTRIC SERVICE.

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

21 ~~7-502. RESERVED.~~

22 ~~7-503. RESERVED.~~

23 PART II. ELECTRIC INDUSTRY RESTRUCTURING ENABLED.

24 ~~7-504.~~

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

27 (1) ~~MODIFY AND CLARIFY EXISTING LAW TO ESTABLISH CUSTOMER~~
28 ~~CHOICE OF ELECTRICITY SUPPLY AND ELECTRICITY SUPPLY SERVICES;~~

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

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

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

34 (5) ~~ENSURE THAT FEDERAL AND STATE ENVIRONMENTAL STANDARDS~~
35 ~~ARE NOT COMPROMISED.~~

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 BE FAIR TO CUSTOMERS, ELECTRIC COMPANY~~
8 ~~INVESTORS, CUSTOMERS OF MUNICIPAL ELECTRIC UTILITIES, ELECTRIC~~
9 ~~COMPANIES, AND ELECTRICITY SUPPLIERS.~~

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

12 ~~(B) (1) THE COMMISSION SHALL ISSUE THE ORDERS OR ADOPT THE~~
13 ~~REGULATIONS REQUIRED UNDER THIS SUBSECTION BEFORE THE IMPLEMENTATION~~
14 ~~OF CUSTOMER CHOICE.~~

15 ~~(2) (1) THE COMMISSION MAY SHALL ORDER EACH ELECTRIC~~
16 ~~COMPANY, IN CONJUNCTION WITH THE COMMISSION, THE OFFICE OF PEOPLE'S~~
17 ~~COUNSEL, AND OTHER PARTIES, TO IMPLEMENT A CONSUMER EDUCATION~~
18 ~~PROGRAM INFORMING CUSTOMERS OF CHANGES IN THE ELECTRIC INDUSTRY.~~

19 ~~(II) ANY BOARD OR GROUP CREATED UNDER SUBPARAGRAPH (I) OF~~
20 ~~THIS PARAGRAPH SHALL INCLUDE AT LEAST 2 MEMBERS OF THE PUBLIC.~~

21 ~~(III) THIS PARAGRAPH SHALL BE OF NO FORCE AND EFFECT AFTER~~
22 ~~JUNE 30, 2002.~~

23 ~~(2) (3) THE COMMISSION MAY SHALL ORDER UNIVERSAL SERVICE~~
24 ~~PROGRAMS TO BE MADE AVAILABLE IN EACH ELECTRIC COMPANY'S DISTRIBUTION~~
25 ~~TERRITORY, ON A STATEWIDE BASIS, TO BENEFIT LOW INCOME CUSTOMERS, IN~~
26 ~~ACCORDANCE WITH § 7-512.1 OF THIS SUBTITLE.~~

27 ~~(3) (4) THE COMMISSION MAY SHALL ORDER AN ELECTRIC COMPANY~~
28 ~~TO ADOPT POLICIES AND PRACTICES REASONABLY DESIGNED TO:~~

29 ~~(I) PREVENT UNDUE DISCRIMINATION IN FAVOR OF THE~~
30 ~~ELECTRIC COMPANY'S OWN ELECTRICITY SUPPLY, OTHER SERVICES, DIVISIONS, OR~~
31 ~~AFFILIATES, IF ANY; AND~~

32 ~~(II) PREVENT ANY OTHER FORMS OF SELF DEALING OR PRACTICES~~
33 ~~THAT COULD RESULT IN NONCOMPETITIVE ELECTRICITY PRICES TO CUSTOMERS.~~

34 ~~(4) (5) (1) THE COMMISSION MAY SHALL, BY REGULATION OR~~
35 ~~ORDER, REQUIRE EACH ELECTRIC COMPANY AND ELECTRICITY SUPPLIER TO~~
36 ~~PROVIDE ADEQUATE AND ACCURATE CUSTOMER INFORMATION TO EACH CUSTOMER~~
37 ~~ON THE AVAILABLE ELECTRIC SERVICES OF THE ELECTRIC COMPANY OR~~
38 ~~ELECTRICITY SUPPLIER, INCLUDING DISCLOSURE ON AN ANNUAL BASIS OF A~~
39 ~~UNIFORM COMMON SET OF INFORMATION ABOUT:~~

1 ~~1. THE FUEL MIX OF THE ELECTRICITY PURCHASED BY~~
 2 ~~CUSTOMERS, INCLUDING CATEGORIES OF ELECTRICITY FROM RENEWABLE ENERGY~~
 3 ~~RESOURCES, COAL, NATURAL GAS, NUCLEAR, OIL, HYDROELECTRIC, SOLAR,~~
 4 ~~BIOMASS, WIND, AND OTHER RESOURCES, OR DISCLOSURE OF A REGIONAL FUEL MIX~~
 5 ~~AVERAGE; AND~~

6 ~~2. THE EMISSIONS, ON A POUND PER MEGAWATT HOUR~~
 7 ~~BASIS, OF POLLUTANTS IDENTIFIED BY THE COMMISSION, OR DISCLOSURE OF A~~
 8 ~~REGIONAL FUEL MIX AVERAGE.~~

9 ~~(H) THE COMMISSION MAY REQUIRE AN ELECTRIC COMPANY OR~~
 10 ~~AN ELECTRICITY SUPPLIER TO PROVIDE DOCUMENTATION SUPPORTING THE~~
 11 ~~DISCLOSURES REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.~~

12 ~~(5) (6) (I) THE COMMISSION SHALL, BY REGULATION OR ORDER,~~
 13 ~~REQUIRE THE UNBUNDLING OF ELECTRIC COMPANY RATES, CHARGES, AND~~
 14 ~~SERVICES INTO STANDARDIZED CATEGORIES THAT DETERMINED BY THE~~
 15 ~~COMMISSION DETERMINES.~~

16 ~~(H) THE COMMISSION MAY REBUNDLE RATES OR CHARGES FOR~~
 17 ~~CUSTOMER BILLING AND PAYMENT PURPOSES.~~

18 ~~(7) AN ELECTRIC COMPANY OR AN ELECTRICITY SUPPLIER MAY NOT~~
 19 ~~DISCLOSE BILLING, PAYMENT, CREDIT, AND USAGE INFORMATION WITHOUT THE~~
 20 ~~PERMISSION OF THE CUSTOMER.~~

21 ~~(8) AN ELECTRICITY SUPPLIER MAY NOT ENGAGE IN MARKETING,~~
 22 ~~ADVERTISING, OR TRADE PRACTICES THAT ARE UNFAIR, FALSE, MISLEADING, OR~~
 23 ~~DECEPTIVE.~~

24 ~~(6) (9) THE COMMISSION SHALL DETERMINE THE TERMS,~~
 25 ~~CONDITIONS, AND RATES OF STANDARD OFFER SERVICE UNDER IN ACCORDANCE~~
 26 ~~WITH:~~

27 ~~(I) TITLE 4 OF THIS ARTICLE; OR~~

28 ~~(II) AS APPLICABLE, § 7-510(C)(3)(II) OF THIS SUBTITLE.~~

29 ~~(7) (10) IN CONNECTION WITH § 7-513 OF THIS SUBTITLE, THE~~
 30 ~~COMMISSION MAY NOT REQUIRE AN ELECTRIC COMPANY TO DIVEST ITSELF OF A~~
 31 ~~GENERATION ASSET OR PROHIBIT AN ELECTRIC COMPANY FROM DIVESTING ITSELF~~
 32 ~~VOLUNTARILY OF A GENERATION ASSET.~~

33 ~~(8) (11) (I) ON OR BEFORE JULY 1, 2000, THE COMMISSION SHALL, BY~~
 34 ~~REGULATION OR ORDER, ISSUE ORDERS OR ADOPT REGULATIONS REASONABLY~~
 35 ~~DESIGNED TO ENSURE THE CREATION OF COMPETITIVE ELECTRICITY SUPPLY AND~~
 36 ~~ELECTRICITY SUPPLY SERVICES MARKETS, WITH APPROPRIATE CUSTOMER~~
 37 ~~SAFEGUARDS. IN DOING SO~~

1 (II) ~~ON OR BEFORE JULY 1, 2000, THE COMMISSION SHALL~~
2 ~~CONSIDER, AMONG OTHER FACTORS, THE FOLLOWING SAFEGUARDS REQUIRE:~~

3 (4) ~~1: AN APPROPRIATE CODE OF CONDUCT BETWEEN THE~~
4 ~~ELECTRIC COMPANY AND ANY AFFILIATE PROVIDING ELECTRICITY SUPPLY AND~~
5 ~~ELECTRICITY SUPPLY SERVICES IN THE STATE;~~

6 (II) ~~2: ACCESS BY ELECTRICITY SUPPLIERS AND CUSTOMERS TO~~
7 ~~THE ELECTRIC COMPANY'S TRANSMISSION AND DISTRIBUTION SYSTEM ON A~~
8 ~~NONDISCRIMINATORY BASIS;~~

9 3: ~~APPROPRIATE COMPLAINT AND ENFORCEMENT~~
10 ~~PROCEDURES; AND~~

11 4: ~~ANY OTHER SAFEGUARDS DEEMED NECESSARY BY THE~~
12 ~~COMMISSION TO ENSURE THE CREATION AND MAINTENANCE OF A COMPETITIVE~~
13 ~~ELECTRICITY SUPPLY AND ELECTRICITY SUPPLY SERVICES MARKET.~~

14 (III) ~~ON OR BEFORE JULY 1, 2000, THE COMMISSION SHALL~~
15 ~~CONSIDER, AMONG OTHER FACTORS, FUNCTIONAL, OPERATIONAL, STRUCTURAL, OR~~
16 ~~LEGAL SEPARATION BETWEEN THE ELECTRIC COMPANY'S REGULATED BUSINESSES~~
17 ~~AND ITS NONREGULATED BUSINESSES OR NONREGULATED AFFILIATES; AND~~

18 (IV) ~~APPROPRIATE COMPLAINT AND ENFORCEMENT PROCEDURES.~~

19 (12) ~~NOTHING IN THIS TITLE MAY BE CONSTRUED AS PREVENTING THE~~
20 ~~APPLICATION OF STATE AND FEDERAL CONSUMER PROTECTION AND ANTITRUST~~
21 ~~LAWS TO ELECTRIC COMPANIES AND THEIR AFFILIATES, AND TO ELECTRICITY~~
22 ~~SUPPLIERS.~~

23 (9) ~~(13) THE COMMISSION, IN CONSULTATION WITH THE DEPARTMENT~~
24 ~~OF THE ENVIRONMENT, SHALL ADOPT APPROPRIATE MEASURES TO MAINTAIN~~
25 ~~ENVIRONMENTAL STANDARDS, ADAPT EXISTING PROGRAMS, AND DEVELOP NEW~~
26 ~~PROGRAMS AS APPROPRIATE TO ENSURE THAT FEDERAL AND STATE~~
27 ~~ENVIRONMENTAL PROTECTION STANDARDS ARE NOT COMPROMISED IN A~~
28 ~~COMPETITIVE ELECTRICITY MARKET.~~

29 (14) ~~(1) AN ELECTRIC COMPANY SHALL COMPLY WITH ALL~~
30 ~~REQUIREMENTS OF THE COMMISSION IN CONDUCTING REGULATED OPERATIONS IN~~
31 ~~COMPLIANCE WITH THIS ARTICLE. IN ADDITION,~~

32 (II) ~~THE COMMISSION SHALL REQUIRE EACH ELECTRIC COMPANY~~
33 ~~TO ADOPT A CODE OF CONDUCT TO BE APPROVED BY THE COMMISSION BY A DATE TO~~
34 ~~BE DETERMINED BY THE COMMISSION TO PREVENT REGULATED SERVICE~~
35 ~~CUSTOMERS FROM SUBSIDIZING THE SERVICES OF UNREGULATED BUSINESSES OR~~
36 ~~AFFILIATES OF THE ELECTRIC COMPANY. HOWEVER, NOTHING IN THIS SUBTITLE~~
37 ~~MAY BE CONSTRUED TO GIVE THE COMMISSION THE AUTHORITY TO REGULATE AN~~
38 ~~AFFILIATE OF AN ELECTRIC COMPANY WITH RESPECT TO ANY NONREGULATED~~
39 ~~BUSINESS OR ACTIVITIES OF THE AFFILIATE.~~

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 FREEZE OR CAP, FOR 4 YEARS AFTER
 21 INITIAL 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) THE CAP REQUIRED UNDER PARAGRAPH (1) OF THIS
 28 SUBSECTION DOES NOT APPLY TO THE RECOVERY OF COSTS ADDED AFTER JANUARY
 29 1, 2000, IN ACCORDANCE WITH § 7-512(C) OF THIS SUBTITLE.

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

32 1. ANY TRANSITION COSTS UNDER § 7-513 OF THIS
 33 SUBTITLE; AND

34 2. ANY COSTS INCLUDED IN RATES ON JANUARY 1, 2000, IN
 35 ACCORDANCE WITH § 7-512(C) OF THIS SUBTITLE.

1 ~~(3) AS PART OF A SETTLEMENT, THE COMMISSION MAY APPROVE A~~
 2 ~~FREEZE OR CAP FOR A LONGER DIFFERENT TIME PERIOD OR AN ALTERNATIVE PRICE~~
 3 ~~PROTECTION PLAN THAT THE COMMISSION DETERMINES IS EQUALLY PROTECTIVE~~
 4 ~~OF RATEPAYERS.~~

5 ~~(4) (i) 1. SUBJECT TO THE PROVISIONS OF PARAGRAPH (5) OF THIS~~
 6 ~~SUBSECTION, THE COMMISSION SHALL REDUCE RESIDENTIAL RATES FOR EACH~~
 7 ~~INVESTOR OWNED ELECTRIC COMPANY BY A MINIMUM OF 3% OF THE GENERATION~~
 8 ~~PORTION OF BASE RATES, AS MEASURED ON JUNE 30, 1999.~~

9 ~~2. THE REDUCTION REQUIRED UNDER SUB-SUBPARAGRAPH~~
 10 ~~1 OF THIS SUBPARAGRAPH SHALL BEGIN ON THE INITIAL IMPLEMENTATION DATE~~
 11 ~~AND REMAIN IN EFFECT FOR 4 YEARS.~~

12 ~~3. THE COMMISSION SHALL DETERMINE THE ALLOCATION~~
 13 ~~OF THE RATE REDUCTION AMONG THE GENERATION, TRANSMISSION, AND~~
 14 ~~DISTRIBUTION RESIDENTIAL RATE COMPONENTS.~~

15 ~~(ii) IN ACHIEVING THE RATE REDUCTION REQUIRED UNDER~~
 16 ~~SUBPARAGRAPH (i) OF THIS PARAGRAPH, THE COMMISSION SHALL CONSIDER:~~

17 ~~1. THE EXPIRATION OF ANY SURCHARGE;~~

18 ~~2. CHANGES IN THE ELECTRIC COMPANY'S TAX LIABILITY;~~

19 ~~3. COST OF SERVICE DETERMINATIONS ORDERED BY THE~~
 20 ~~COMMISSION;~~

21 ~~4. NET TRANSITION COSTS OR BENEFITS; AND~~

22 ~~5. THE EFFECT ON THE COMPETITIVE ELECTRICITY SUPPLY~~
 23 ~~MARKET.~~

24 ~~(iii) THE COMMISSION MAY INCREASE OR DECREASE THE ACTUAL~~
 25 ~~RATE REDUCTION REQUIRED IN SUBPARAGRAPH (i) OF THIS PARAGRAPH OR ALLOW~~
 26 ~~THE RECOVERY OF ANY EXTRAORDINARY COSTS BASED ON THE CIRCUMSTANCES OF~~
 27 ~~AN INDIVIDUAL ELECTRIC COMPANY IF THE COMMISSION DETERMINES THAT THE~~
 28 ~~ACTION IS NECESSARY AND IN THE PUBLIC INTEREST.~~

29 ~~(iv) IN DETERMINING THE RATE REDUCTION REQUIRED UNDER~~
 30 ~~SUBPARAGRAPH (i) OF THIS PARAGRAPH, THE COMMISSION MAY NOT INCREASE~~
 31 ~~RATES FOR NONRESIDENTIAL CUSTOMERS.~~

32 ~~(5) THE REQUIREMENTS OF PARAGRAPH (4) OF THIS SUBSECTION DO~~
 33 ~~NOT APPLY TO AN ELECTRIC COMPANY IF THE COMMISSION APPROVES OR HAS IN~~
 34 ~~EFFECT A SETTLEMENT THAT THE COMMISSION DETERMINES IS EQUALLY~~
 35 ~~PROTECTIVE OF RATEPAYERS.~~

1 ~~7-506.~~

2 (A) ~~THE ELECTRIC COMPANY IN A DISTRIBUTION TERRITORY SHALL PROVIDE~~
3 ~~AND BE RESPONSIBLE FOR DISTRIBUTION SERVICES IN THE TERRITORY.~~

4 (B) ~~THE ELECTRIC COMPANY SHALL PROVIDE DISTRIBUTION SERVICES IN ITS~~
5 ~~DISTRIBUTION TERRITORY TO ALL CUSTOMERS AND ELECTRICITY SUPPLIERS ON~~
6 ~~RATES, TERMS OF ACCESS, AND CONDITIONS THAT ARE COMPARABLE TO THE~~
7 ~~ELECTRIC COMPANY'S OWN USE OF ITS DISTRIBUTION SYSTEM.~~

8 (C) ~~EACH ELECTRIC COMPANY SHALL MAINTAIN THE RELIABILITY OF ITS~~
9 ~~DISTRIBUTION SYSTEM IN ACCORDANCE WITH APPLICABLE ORDERS, TARIFFS, AND~~
10 ~~REGULATIONS OF THE COMMISSION.~~

11 (D) ~~THE ELECTRIC COMPANY MUST CONNECT CUSTOMERS AND DELIVER~~
12 ~~ELECTRICITY ON BEHALF OF ELECTRICITY SUPPLIERS CONSISTENT WITH THE~~
13 ~~PROVISIONS OF THIS ARTICLE.~~

14 (E) ~~THE ELECTRIC COMPANY SHALL PROVIDE STANDARD OFFER SERVICE~~
15 ~~UNDER § 7-510(C) OF THIS SUBTITLE.~~

16 ~~7-507.~~

17 (A) ~~A PERSON, OTHER THAN AN ELECTRIC COMPANY PROVIDING STANDARD~~
18 ~~OFFER SERVICE UNDER § 7-510(C) OF THIS SUBTITLE OR A MUNICIPAL ELECTRIC~~
19 ~~UTILITY SERVING CUSTOMERS SOLELY IN ITS DISTRIBUTION TERRITORY, MAY NOT~~
20 ~~ENGAGE IN THE BUSINESS OF AN ELECTRICITY SUPPLIER IN THE STATE UNLESS THE~~
21 ~~PERSON HOLDS A LICENSE ISSUED BY THE COMMISSION.~~

22 (B) ~~AN APPLICATION FOR AN ELECTRICITY SUPPLIER LICENSE SHALL:~~

23 (1) ~~BE MADE TO THE COMMISSION IN WRITING ON A FORM ADOPTED BY~~
24 ~~THE COMMISSION;~~

25 (2) ~~BE VERIFIED BY OATH OR AFFIRMATION; AND~~

26 (3) ~~CONTAIN INFORMATION THAT THE COMMISSION REQUIRES;~~
27 ~~INCLUDING:~~

28 (i) ~~PROOF OF TECHNICAL AND MANAGERIAL COMPETENCE;~~

29 (ii) ~~PROOF OF COMPLIANCE WITH ALL APPLICABLE~~
30 ~~REQUIREMENTS OF THE FEDERAL ENERGY REGULATORY COMMISSION, AND ANY~~
31 ~~INDEPENDENT SYSTEM OPERATOR OR REGIONAL OR SYSTEM TRANSMISSION~~
32 ~~OPERATOR TO BE USED BY THE LICENSEE;~~

33 (iii) ~~A CERTIFICATION OF COMPLIANCE WITH APPLICABLE~~
34 ~~FEDERAL AND STATE ENVIRONMENTAL LAWS AND REGULATIONS THAT RELATE TO~~
35 ~~THE GENERATION OF ELECTRICITY; AND~~

36 (iv) ~~PAYMENT OF THE APPLICABLE LICENSING FEE.~~

- 1 ~~(C) THE COMMISSION MAY SHALL, BY REGULATION OR ORDER:~~
- 2 ~~(1) REQUIRE PROOF OF FINANCIAL INTEGRITY;~~
- 3 ~~(2) REQUIRE A LICENSEE TO POST A BOND OR OTHER SIMILAR~~
4 ~~INSTRUMENT, IF, IN THE COMMISSION'S JUDGMENT, THE BOND OR SIMILAR~~
5 ~~INSTRUMENT IS NECESSARY TO INSURE AN ELECTRICITY SUPPLIER'S FINANCIAL~~
6 ~~INTEGRITY;~~
- 7 ~~(3) REQUIRE A LICENSEE TO:~~
- 8 ~~(H) PROVIDE PROOF THAT IT HAS REGISTERED IS QUALIFIED TO~~
9 ~~DO BUSINESS IN THE STATE WITH THE DEPARTMENT OF ASSESSMENTS AND~~
10 ~~TAXATION; AND~~
- 11 ~~(II) AGREE TO BE SUBJECT TO ALL APPLICABLE TAXES; AND~~
- 12 ~~(4) ADOPT ANY OTHER REQUIREMENTS IT FINDS TO BE IN THE PUBLIC~~
13 ~~INTEREST, WHICH MAY INCLUDE DIFFERENT REQUIREMENTS FOR ELECTRICITY~~
14 ~~SUPPLIERS THAT SERVE ONLY LARGE CUSTOMERS.~~
- 15 ~~(D) A LICENSE ISSUED UNDER THIS SECTION MAY NOT BE TRANSFERRED~~
16 ~~WITHOUT PRIOR COMMISSION APPROVAL.~~
- 17 ~~(E) THE COMMISSION MAY SHALL ADOPT REGULATIONS OR ISSUE ORDERS~~
18 ~~TO:~~
- 19 ~~(1) PROTECT CONSUMERS, ELECTRIC COMPANIES, AND ELECTRICITY~~
20 ~~SUPPLIERS FROM ANTICOMPETITIVE AND ABUSIVE PRACTICES; AND~~
- 21 ~~(2) REQUIRE EACH ELECTRICITY SUPPLIER TO PROVIDE, IN ADDITION~~
22 ~~TO THE REQUIREMENTS UNDER § 7-505(B)(5) OF THIS SUBTITLE, ADEQUATE AND~~
23 ~~ACCURATE CUSTOMER INFORMATION TO ENABLE CUSTOMERS TO MAKE INFORMED~~
24 ~~CHOICES REGARDING THE PURCHASE OF ANY ELECTRICITY SERVICES OFFERED BY~~
25 ~~THE ELECTRICITY SUPPLIER;~~
- 26 ~~(3) ESTABLISH REASONABLE RESTRICTIONS ON TELEMARKETING;~~
- 27 ~~(4) ESTABLISH PROCEDURES FOR CONTRACTING WITH CUSTOMERS;~~
- 28 ~~(5) ESTABLISH REQUIREMENTS AND LIMITATIONS RELATING TO~~
29 ~~DEPOSITS, BILLING, COLLECTIONS, AND CONTRACT CANCELLATIONS;~~
- 30 ~~(6) ESTABLISH PROVISIONS PROVIDING FOR THE REFERRAL OF A~~
31 ~~DELINQUENT ACCOUNT BY AN ELECTRICITY SUPPLIER TO THE STANDARD OFFER~~
32 ~~SERVICE UNDER § 7-510(C) OF THIS SUBTITLE; AND~~
- 33 ~~(7) ESTABLISH PROCEDURES FOR DISPUTE RESOLUTION;~~
- 34 ~~(F) ELECTRICITY BILLS, FOR COMPETITIVE AND REGULATED ELECTRIC~~
35 ~~SERVICES, PROVIDED TO CONSUMERS MUST BE SHALL;~~

1 ~~(1) BE PREPARED AND ISSUED IN ACCORDANCE WITH REGULATIONS OR~~
2 ~~ORDERS OF THE COMMISSION; AND~~

3 ~~(2) PROVIDE, IN ADDITION TO THE REQUIREMENTS OF § 7-505(B)(5) OF~~
4 ~~THIS SUBTITLE AND SUBSECTION (E)(2) OF THIS SECTION, THE FOLLOWING~~
5 ~~INFORMATION:~~

6 ~~(I) THE IDENTITY AND PHONE NUMBER OF THE ELECTRIC~~
7 ~~SUPPLIER OF THE SERVICE;~~

8 ~~(II) SUFFICIENT INFORMATION TO EVALUATE PRICES AND~~
9 ~~SERVICES; AND~~

10 ~~(III) INFORMATION IDENTIFYING WHETHER THE PRICE IS~~
11 ~~REGULATED OR COMPETITIVE.~~

12 ~~(G) (1) AN ELECTRICITY SUPPLIER OR ANY PERSON OR GOVERNMENTAL~~
13 ~~UNIT MAY NOT MAKE ANY CHANGE IN THE ELECTRICITY SUPPLIER FOR A CUSTOMER~~
14 ~~OR ADD A NEW CHARGE FOR A NEW OR EXISTING SERVICE OR OPTION WITHOUT~~
15 ~~FIRST OBTAINING THE CUSTOMER'S PERMISSION.~~

16 ~~(2) THE COMMISSION SHALL ADOPT REGULATIONS OR ISSUE ORDERS~~
17 ~~ESTABLISHING PROCEDURES TO PREVENT UNAUTHORIZED SWITCHING THE~~
18 ~~PRACTICES PROHIBITED UNDER PARAGRAPH (1) OF THIS SUBSECTION.~~

19 ~~(H) (1) THE COMMISSION MAY REVOKE OR SUSPEND THE LICENSE OF AN~~
20 ~~ELECTRICITY SUPPLIER, IMPOSE A CIVIL PENALTY OR OTHER REMEDY, ORDER A~~
21 ~~REFUND OR CREDIT TO A CUSTOMER, OR IMPOSE A MORATORIUM ON ADDING OR~~
22 ~~SOLICITING ADDITIONAL CUSTOMERS BY THE ELECTRICITY SUPPLIER, FOR JUST~~
23 ~~CAUSE ON THE COMMISSION'S OWN INVESTIGATION OR ON COMPLAINT OF THE~~
24 ~~OFFICE OF PEOPLE'S COUNSEL, THE ATTORNEY GENERAL, OR AN AFFECTED PARTY.~~

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

27 ~~(3) JUST CAUSE INCLUDES:~~

28 ~~(I) INTENTIONALLY PROVIDING FALSE INFORMATION TO THE~~
29 ~~COMMISSION;~~

30 ~~(II) SWITCHING, OR CAUSING TO BE SWITCHED, THE ELECTRICITY~~
31 ~~SUPPLY FOR A CUSTOMER WITHOUT FIRST OBTAINING THE CUSTOMER'S~~
32 ~~PERMISSION;~~

33 ~~(III) FAILING TO PROVIDE ELECTRICITY FOR ITS CUSTOMERS;~~

34 ~~(IV) COMMITTING FRAUD OR ENGAGING IN DECEPTIVE PRACTICES;~~

35 ~~(V) FAILING TO MAINTAIN FINANCIAL INTEGRITY;~~

36 ~~(VI) VIOLATING A COMMISSION REGULATION OR ORDER; AND~~

- 1 ~~(VII) FAILING TO PAY, COLLECT, REMIT, OR CALCULATE~~
2 ~~ACCURATELY APPLICABLE STATE OR LOCAL TAXES;~~
- 3 ~~(VIII) VIOLATING A PROVISION OF THE PUBLIC UTILITY COMPANIES~~
4 ~~ARTICLE OR APPLICABLE CONSUMER PROTECTION LAW OF THE STATE;~~
- 5 ~~(IX) CONVICTION OF A FELONY BY THE LICENSEE OR PRINCIPAL OF~~
6 ~~THE LICENSEE OR ANY CRIME INVOLVING FRAUD, THEFT, OR DECEIT; AND~~
- 7 ~~(X) SUSPENSION OF REVOCATION OF A LICENSE BY ANY STATE OR~~
8 ~~FEDERAL AUTHORITY.~~
- 9 ~~(I) (1) AN ELECTRICITY SUPPLIER OR PERSON SELLING OR OFFERING TO~~
10 ~~SELL ELECTRICITY IN THE STATE IN VIOLATION OF THIS SECTION IS SUBJECT TO:~~
- 11 ~~(i) A CIVIL PENALTY OF NOT MORE THAN \$2,500 \$10,000 FOR THE~~
12 ~~VIOLATION; OR~~
- 13 ~~(ii) LICENSE REVOCATION OR SUSPENSION.~~
- 14 ~~(2) EACH DAY A VIOLATION CONTINUES IS A SEPARATE VIOLATION.~~
- 15 ~~(3) THE COMMISSION SHALL DETERMINE THE AMOUNT OF ANY CIVIL~~
16 ~~PENALTY. IN MAKING THIS DETERMINATION, THE COMMISSION SHALL CONSIDER:~~
- 17 ~~(i) THE NUMBER OF PREVIOUS VIOLATIONS OF ANY PROVISION OF~~
18 ~~THIS ARTICLE;~~
- 19 ~~(ii) THE GRAVITY OF THE CURRENT VIOLATION; AND~~
- 20 ~~(iii) THE GOOD FAITH OF THE ELECTRICITY SUPPLIER OR PERSON~~
21 ~~CHARGED IN ATTEMPTING TO ACHIEVE COMPLIANCE AFTER NOTIFICATION OF THE~~
22 ~~VIOLATION.~~
- 23 ~~(J) IN CONNECTION WITH A CONSUMER COMPLAINT OR COMMISSION~~
24 ~~INVESTIGATION UNDER THIS SECTION, AN ELECTRICITY SUPPLIER SHALL PROVIDE~~
25 ~~TO THE COMMISSION ACCESS TO ANY ACCOUNTS, BOOKS, PAPERS, AND DOCUMENTS~~
26 ~~WHICH THE COMMISSION CONSIDERS NECESSARY TO RESOLVE THE MATTER AT~~
27 ~~ISSUE.~~
- 28 ~~(K) THE COMMISSION MAY ORDER THE ELECTRICITY SUPPLIER TO CEASE~~
29 ~~ADDING OR SOLICITING ADDITIONAL CUSTOMERS OR TO CEASE SERVING~~
30 ~~CUSTOMERS IN THE STATE.~~
- 31 ~~(L) THE COMMISSION SHALL CONSULT WITH THE CONSUMER PROTECTION~~
32 ~~DIVISION OF THE OFFICE OF THE ATTORNEY GENERAL BEFORE ISSUING~~
33 ~~REGULATIONS DESIGNED TO PROTECT CONSUMERS.~~
- 34 ~~(M) THE PEOPLE'S COUNSEL SHALL HAVE THE SAME AUTHORITY IN~~
35 ~~LICENSING, COMPLAINT, AND DISPUTE RESOLUTION PROCEEDINGS AS IT HAS IN~~
36 ~~TITLE 2 OF THIS ARTICLE.~~

1 ~~(N) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO AFFECT THE~~
2 ~~AUTHORITY OF THE DIVISION OF CONSUMER PROTECTION IN THE OFFICE OF THE~~
3 ~~ATTORNEY GENERAL TO ENFORCE VIOLATIONS OF TITLES 13 AND 14 OF THE~~
4 ~~COMMERCIAL LAW ARTICLE OR ANY OTHER APPLICABLE STATE LAW OR~~
5 ~~REGULATION IN CONNECTION WITH THE ACTIVITIES OF RETAIL ELECTRIC SERVICE~~
6 ~~SUPPLIERS.~~

7 7-508.

8 (A) ~~AN ELECTRIC COMPANY MAY TRANSFER ANY OF ITS GENERATION~~
9 ~~FACILITIES OR GENERATION ASSETS TO AN AFFILIATE.~~

10 (B) ~~THE TRANSFER OF A GENERATION FACILITY OR GENERATION ASSET TO~~
11 ~~AN AFFILIATE MAY NOT AFFECT OR RESTRICT THE COMMISSION'S DETERMINATION~~
12 ~~OF THE VALUE OF A GENERATION ASSET FOR PURPOSES OF TRANSITION COSTS~~
13 ~~UNDER § 7-513(B) OF THIS SUBTITLE.~~

14 (C) (1) ~~THIS SUBSECTION IS IN EFFECT UNTIL THE LATER OF THE DATE~~
15 ~~WHEN:~~

16 (i) ~~ALL CUSTOMERS OF THE ELECTRIC COMPANY ARE ELIGIBLE~~
17 ~~FOR CUSTOMER CHOICE UNDER § 7-510 OF THIS SUBTITLE; AND~~

18 (ii) ~~THE AMOUNT OF TRANSITION COSTS ARISING FROM THE~~
19 ~~GENERATION TO BE TRANSFERRED HAS BEEN FINALLY DETERMINED BY THE~~
20 ~~COMMISSION UNDER § 7-513(A) THROUGH (C) OF THIS SUBTITLE.~~

21 (2) ~~THE COMMISSION MAY REVIEW AND APPROVE THE TRANSFER FOR~~
22 ~~THE SOLE PURPOSE OF DETERMINING THAT:~~

23 (i) ~~THAT THE APPROPRIATE ACCOUNTING HAS BEEN FOLLOWED;~~

24 (ii) ~~THAT THE TRANSFER DOES NOT OR WOULD NOT RESULT IN AN~~
25 ~~UNDUE ADVERSE EFFECT ON THE PROPER FUNCTIONING OF A COMPETITIVE~~
26 ~~ELECTRICITY SUPPLY MARKET; AND~~

27 (iii) ~~THE APPROPRIATE TRANSFER PRICE AND RATE MAKING~~
28 ~~TREATMENT.~~

29 (D) (3) ~~THE COMMISSION SHALL ACT ON THE TRANSFER OF A GENERATION~~
30 ~~FACILITY OR GENERATION ASSET UNDER THIS SECTION SUBSECTION WITHIN 180~~
31 ~~DAYS AFTER THE ELECTRIC COMPANY FILES ITS PROPOSED TRANSFER APPLICATION~~
32 ~~AND ANY REQUIRED SUPPORTING INFORMATION.~~

33 7-509.

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

1 (I) ESTABLISH THE PRICE FOR STANDARD OFFER SERVICE UNDER
2 § 7-510(C) OF THIS SUBTITLE; AND

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

5 (2) THIS SUBSECTION DOES NOT APPLY TO:

6 (i) REGULATION OF AN ELECTRICITY SUPPLIER UNDER § 7-507 OF
7 THIS SUBTITLE; OR

8 (ii) THE COSTS OF NUCLEAR GENERATION FACILITIES OR
9 PURCHASED POWER CONTRACTS WHICH THAT, AS PART OF A SETTLEMENT
10 APPROVED BY THE COMMISSION, REMAIN REGULATED OR ARE RECOVERED
11 THROUGH THE DISTRIBUTION FUNCTION.

12 (B) EXCEPT FOR AN ELECTRIC COMPANY WHOSE RETAIL PEAK LOAD IN THE
13 STATE ON JANUARY 1, 1999, WAS LESS THAN 1,000 MEGAWATTS (1) SUBJECT TO
14 PARAGRAPH (2) OF THIS SUBSECTION, THIS SECTION DOES NOT APPLY TO AN
15 ELECTRIC COMPANY UNTIL THE ELECTRIC COMPANY:

16 (1) (i) TRANSFERS GENERATION FACILITIES AND GENERATION
17 ASSETS TO AN AFFILIATE OF THE ELECTRIC COMPANY, AND THE AFFILIATE
18 OPERATES THE FACILITIES AND ASSETS; OR

19 (2) (ii) SELLS THE GENERATION FACILITIES AND GENERATION ASSETS
20 TO A NONAFFILIATE.

21 (2) (i) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (1) OF
22 THIS SUBSECTION, THIS SECTION APPLIES TO AN INVESTOR OWNED ELECTRIC
23 COMPANY THAT DOES NOT TRANSFER ITS GENERATION FACILITIES AND
24 GENERATION ASSETS TO AN AFFILIATE OR SELL ITS GENERATION FACILITIES AND
25 GENERATION ASSETS TO A NONAFFILIATE IF, ON JANUARY 1, 1999, THE RETAIL PEAK
26 LOAD OF THE INVESTOR OWNED ELECTRIC COMPANY IN THE STATE WAS LESS THAN
27 1,000 MEGAWATTS.

28 (ii) AN INVESTOR OWNED ELECTRIC COMPANY TO WHICH THIS
29 SECTION APPLIES THROUGH SUBPARAGRAPH (1) OF THIS PARAGRAPH SHALL, BY
30 JANUARY 1, 2001:

31 1. TRANSFER ITS GENERATION FACILITIES AND
32 GENERATION ASSETS TO AN AFFILIATE OF THE INVESTOR OWNED ELECTRIC
33 COMPANY THAT OPERATES THE FACILITIES AND ASSETS; OR

34 2. SELL THE GENERATION FACILITIES AND GENERATION
35 ASSETS TO A NONAFFILIATE.

36 (C) THE EXCEPTIONS IN SUBSECTION (A)(2) (A)(1) OF THIS SECTION AS TO ANY
37 ELECTRIC COMPANY SHALL REMAIN IN EFFECT UNTIL THE LATER OF THE DATE
38 WHEN:

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

3 (2) ~~THE DATE WHEN THE AMOUNT OF TRANSITION COSTS ARISING~~
4 ~~FROM THE GENERATION THAT IS DEREGULATED HAS BEEN FINALLY DETERMINED~~
5 ~~BY THE COMMISSION UNDER § 7-513(A) THROUGH (C) OF THIS SUBTITLE; OR~~

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

9 7-510.

10 (A) (1) SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE PHASED
11 IMPLEMENTATION OF CUSTOMER CHOICE SHALL BE IMPLEMENTED AS FOLLOWS:

12 (I) ON JULY 1, 2000, ONE THIRD OF THE RETAIL PEAK LOAD OF
13 EACH CUSTOMER CLASS IN THE STATE OF EACH ELECTRIC COMPANY SHALL HAVE
14 THE OPPORTUNITY FOR CUSTOMER CHOICE;

15 (II) ON JULY 1, 2001, TWO THIRDS OF THE RETAIL PEAK LOAD OF
16 EACH CUSTOMER CLASS IN THE STATE OF EACH ELECTRIC COMPANY SHALL HAVE
17 THE OPPORTUNITY FOR CUSTOMER CHOICE;

18 (III) ON JULY 1, 2002, ALL CUSTOMERS OF EACH ELECTRIC
19 COMPANY SHALL HAVE THE OPPORTUNITY FOR CUSTOMER CHOICE; AND

20 (IV) BY JULY 1, 2003, UNDER A SEPARATE SCHEDULE ADOPTED BY
21 THE COMMISSION, ALL CUSTOMERS OF EACH ELECTRIC COOPERATIVE SHALL HAVE
22 THE OPPORTUNITY FOR CUSTOMER CHOICE.

23 (2) (I) IN ACCORDANCE WITH THIS PARAGRAPH, THE COMMISSION
24 MAY DEVELOP ADOPT A SEPARATE SCHEDULE FOR MUNICIPAL ELECTRIC UTILITIES
25 FOR THE IMPLEMENTATION OF CUSTOMER CHOICE.

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

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

32 (IV) THE COMMISSION MAY APPROVE EACH MUNICIPAL ELECTRIC
33 UTILITY PLAN AND SCHEDULE AFTER CONSIDERING THE FEATURES THAT
34 DISTINGUISH THE MUNICIPAL ELECTRIC UTILITY FROM OTHER ELECTRIC
35 COMPANIES.

36 (V) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED AS
37 REQUIRING THE FUNCTIONAL, OPERATIONAL, STRUCTURAL, OR LEGAL SEPARATION

1 ~~OF THE REGULATED AND NONREGULATED OPERATIONS OF THE MUNICIPAL~~
2 ~~ELECTRIC UTILITY.~~

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

7 ~~(I) IF THE SERVICE TERRITORY OF THE MUNICIPAL ELECTRIC~~
8 ~~UTILITY IS AVAILABLE FOR CUSTOMER CHOICE, ITS EXPERIENCE, THROUGH JULY 1,~~
9 ~~2003, WITH THE TRANSITION TO CUSTOMER CHOICE; OR~~

10 ~~(II) IF THE SERVICE TERRITORY OF THE MUNICIPAL ELECTRIC~~
11 ~~UTILITY IS NOT AVAILABLE FOR CUSTOMER CHOICE AS OF JULY 1, 2003, ITS~~
12 ~~PROPOSED INTENTION TO DO SO IN THE FUTURE.~~

13 ~~(4) IF A MUNICIPAL ELECTRIC UTILITY SERVES CUSTOMERS OUTSIDE~~
14 ~~ITS DISTRIBUTION TERRITORY, ELECTRICITY SUPPLIERS LICENSED UNDER § 7-507 OF~~
15 ~~THIS SUBTITLE MAY SERVE THE CUSTOMERS IN THE DISTRIBUTION TERRITORY OF~~
16 ~~THE MUNICIPAL ELECTRIC UTILITY, AS SPECIFIED IN EACH MUNICIPAL ELECTRIC~~
17 ~~UTILITY'S RESTRUCTURING PLAN APPROVED BY THE COMMISSION UNDER § 7-505 OF~~
18 ~~THIS SUBTITLE.~~

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

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

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

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

28 ~~(2) ELECTRIC ELECTRICITY SUPPLY PURCHASED FROM A CUSTOMER'S~~
29 ~~ELECTRIC COMPANY IS KNOWN AS STANDARD OFFER SERVICE. A CUSTOMER IS~~
30 ~~CONSIDERED TO HAVE CHOSEN THE STANDARD OFFER SERVICE IF THE CUSTOMER:~~

31 ~~(I) IS NOT ALLOWED TO CHOOSE AN ELECTRICITY SUPPLIER~~
32 ~~UNDER THE PHASE IN OF CUSTOMER CHOICE IN § 7-510(A) OF THIS SUBTITLE;~~

33 ~~(II) CONTRACTS FOR ELECTRICITY WITH AN ELECTRICITY~~
34 ~~SUPPLIER AND IT IS NOT DELIVERED;~~

35 ~~(III) CANNOT ARRANGE FOR ELECTRICITY FROM AN ELECTRICITY~~
36 ~~SUPPLIER; OR~~

37 ~~(IV) DOES NOT CHOOSE AN ELECTRICITY SUPPLIER;~~

- 1 ~~(V) CHOOSES THE STANDARD OFFER SERVICE; OR~~
- 2 ~~(VI) HAS BEEN DENIED SERVICE OR REFERRED TO THE STANDARD~~
3 ~~OFFER SERVICE BY AN ELECTRICITY SUPPLIER IN ACCORDANCE WITH § 7-507(E)(6)~~
4 ~~OF THIS SUBTITLE.~~
- 5 ~~(3) ANY OBLIGATION OF AN ELECTRIC COMPANY TO PROVIDE~~
6 ~~STANDARD OFFER SERVICE SHALL CEASE ON JULY 1, 2003, EXCEPT THAT:~~
- 7 ~~(H) ELECTRIC COOPERATIVES AND MUNICIPAL ELECTRIC~~
8 ~~UTILITIES MAY CHOOSE TO CONTINUE PROVIDING STANDARD OFFER SERVICE IN~~
9 ~~THEIR RESPECTIVE DISTRIBUTION TERRITORIES, AND MAY CEASE OFFERING THAT~~
10 ~~SERVICE AFTER NOTIFYING THE COMMISSION AT LEAST 12 MONTHS IN ADVANCE;~~
11 ~~AND~~
- 12 ~~(H) 1. IF THE COMMISSION FINDS THAT THE ELECTRICITY~~
13 ~~SUPPLY MARKET IS NOT COMPETITIVE OR THAT NO ACCEPTABLE COMPETITIVE~~
14 ~~PROPOSAL HAS BEEN RECEIVED TO SUPPLY ELECTRICITY TO THOSE CUSTOMERS~~
15 ~~DESCRIBED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE COMMISSION MAY~~
16 ~~EXTEND THE OBLIGATION TO PROVIDE STANDARD OFFER SERVICE TO RESIDENTIAL~~
17 ~~AND SMALL COMMERCIAL CUSTOMERS UNTIL JULY 1, 2004, AT THE LATEST, AT A~~
18 ~~RATE DETERMINED UNDER § 7-505(C) OF THIS SUBTITLE AT A MARKET PRICE THAT~~
19 ~~PERMITS RECOVERY OF THE VERIFIABLE PRUDENTLY INCURRED COSTS TO~~
20 ~~PROCURE OR PRODUCE THE ELECTRICITY PLUS A REASONABLE RETURN.~~
- 21 ~~2. THE COMMISSION SHALL REEXAMINE THE FINDING~~
22 ~~MADE UNDER THIS SUBPARAGRAPH AT LEAST ANNUALLY.~~
- 23 ~~(4) ON OR BEFORE JULY 1, 2001, THE COMMISSION SHALL ADOPT~~
24 ~~REGULATIONS OR ISSUE ORDERS TO ESTABLISH PROCEDURES FOR THE~~
25 ~~COMPETITIVE SELECTION OF ELECTRICITY SUPPLIERS, INCLUDING AN AFFILIATE~~
26 ~~OF AN ELECTRIC COMPANY, TO PROVIDE STANDARD OFFER SERVICE TO CUSTOMERS~~
27 ~~OF ELECTRIC COMPANIES UNDER PARAGRAPH (2) OF THIS SUBSECTION, EXCEPT FOR~~
28 ~~CUSTOMERS OF ELECTRIC COOPERATIVES AND MUNICIPAL ELECTRIC UTILITIES.~~
29 ~~UNLESS DELAYED BY THE COMMISSION, THE COMPETITIVE SELECTION SHALL TAKE~~
30 ~~EFFECT NO LATER THAN JULY 1, 2003.~~
- 31 ~~(5) AN ELECTRIC COMPANY MAY PROCURE THE ELECTRICITY NEEDED~~
32 ~~TO MEET ITS STANDARD OFFER SERVICE ELECTRICITY SUPPLY OBLIGATION FROM~~
33 ~~ANY ELECTRICITY SUPPLIER, INCLUDING AN AFFILIATE OF THE ELECTRIC COMPANY.~~
- 34 ~~(D) NOTWITHSTANDING THE DATES SET FORTH IN THIS SECTION OR ANY~~
35 ~~OTHER LAW, CUSTOMER CHOICE MAY NOT COMMENCE UNTIL LEGISLATION IS~~
36 ~~ENACTED TO RESTRUCTURE MARYLAND TAXES TO ADDRESS THE STATE AND LOCAL~~
37 ~~TAX IMPLICATIONS OF RESTRUCTURING THE ELECTRIC UTILITY INDUSTRY.~~
- 38 ~~(E) THE COMMISSION SHALL, BY REGULATION OR ORDER, ADOPT~~
39 ~~PROCEDURES TO IMPLEMENT THIS SECTION, INCLUDING THE ALLOCATION OF ANY~~
40 ~~UNUSED OPPORTUNITY FOR CUSTOMER CHOICE AMONG CUSTOMER CLASSES.~~

1 ~~7-511.~~

2 (A) ~~EXCEPT FOR ELECTRIC COOPERATIVES AND MUNICIPAL ELECTRIC~~
3 ~~UTILITIES:~~

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

5 (2) ~~COMPETITIVE METERING FOR LARGE CUSTOMERS SHALL BEGIN ON~~
6 ~~JANUARY 1, 2002; AND~~

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

9 (B) ~~THE COMMISSION SHALL ADOPT REGULATIONS OR ISSUE ORDERS TO~~
10 ~~IMPLEMENT THIS SECTION.~~

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

15 (2) ~~AN APPLICATION FOR A LOCAL COMPETITIVE BILLING SERVICES~~
16 ~~LICENSE SHALL BE MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE~~
17 ~~LOCAL JURISDICTION.~~

18 (3) (i) ~~A LOCAL JURISDICTION MAY REQUIRE AN APPLICANT OR~~
19 ~~LICENSEE TO:~~

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

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

25 ~~3. HAVE A RESIDENT AGENT IN THE STATE.~~

26 (ii) ~~A LOCAL JURISDICTION MAY NOT REQUIRE AN APPLICANT OR~~
27 ~~LICENSEE TO PAY A FEE OR OTHER CHARGE FOR THE LOCAL LICENSE.~~

28 (D) (1) ~~A LOCAL JURISDICTION MAY REVOKE OR SUSPEND THE LOCAL~~
29 ~~LICENSE IF THE LICENSEE FAILS, WITHIN 15 DAYS OF THE DUE DATE ESTABLISHED~~
30 ~~BY THE LOCAL JURISDICTION, TO PAY OR REMIT ALL OF THE APPLICABLE LOCAL~~
31 ~~ENERGY TAXES ON SERVICES.~~

32 (2) ~~A LOCAL JURISDICTION MAY REINSTATE THE LICENSE AFTER~~
33 ~~PAYMENT OF ALL LOCAL ENERGY TAXES DUE.~~

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

1 ~~(4) A LOCAL JURISDICTION SHALL REPORT ANY REVOCATION OR~~
 2 ~~SUSPENSION OF A LICENSE TO THE COMMISSION.~~

3 ~~(B) THE COMMISSION SHALL ADOPT REGULATIONS OR ISSUE AN ORDER TO~~
 4 ~~ESTABLISH PROCEDURES FOR THE ASSUMPTION OF BILLING RESPONSIBILITIES BY~~
 5 ~~THE ELECTRIC COMPANY THAT DISTRIBUTES ELECTRICITY IN THE RELEVANT~~
 6 ~~SERVICE TERRITORY IF A LOCAL LICENSE IS REVOKED OR SUSPENDED.~~

7 7-512.

8 (A) THIS SECTION AND § 7-513 OF THIS SUBTITLE APPLY TO AN ENTITY THAT
 9 WAS REGULATED AS AN ELECTRIC COMPANY ON JUNE 30, 1999, WHETHER OR NOT
 10 THE ENTITY OR ANY OF ITS BUSINESSES, SERVICES, OR ASSETS CONTINUES TO BE
 11 REGULATED UNDER THIS ARTICLE AFTER THAT DATE.

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

14 (C) (I) AN ELECTRIC COMPANY SHALL BE PROVIDED A FAIR OPPORTUNITY
 15 TO RECOVER FULLY ALL COSTS OF THE FOLLOWING THAT HAVE BEEN OR WILL BE
 16 INCURRED BY THE ELECTRIC COMPANY UNDER PUBLIC PURPOSE PROGRAMS OR
 17 OTHER PLANS ESTABLISHED BY LAW OR ORDERED BY THE COMMISSION:

18 (I) DEMAND SIDE MANAGEMENT AND OTHER ENERGY
 19 CONSERVATION PROGRAMS AND PLANS;

20 (II) UNIVERSAL SERVICE PROGRAMS AND OTHER PUBLIC PURPOSE
 21 PROGRAMS; AND

22 (III) CONSUMER EDUCATION PROGRAMS UNDER § 7-505(B)(1) OF
 23 THIS SUBTITLE.

24 (2) (I) ~~EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION,~~
 25 ~~THE COSTS SUBJECT TO THIS SUBSECTION SHALL BE FUNDED IN THE ELECTRIC~~
 26 ~~COMPANY'S DISTRIBUTION TERRITORY BY A SURCHARGE OR OTHER COST RECOVERY~~
 27 ~~MECHANISM COLLECTED ON A STATEWIDE BASIS THAT:~~

28 (I) 1. FULLY RECOVERS FROM CUSTOMERS IN THE TERRITORY
 29 THE COSTS OF THE PLANS AND PROGRAMS IN THE TERRITORY; AND

30 (II) 2. SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,
 31 WITH RESPECT TO ANY OF THESE COSTS NOT INCLUDED IN RATES ON JANUARY 1,
 32 2000, IS NOT SUBJECT TO ANY OTHERWISE APPLICABLE RATE FREEZE OR CAP.

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

36 (3) DURING THE FISCAL YEAR ENDING JUNE 30, 2000, AN ELECTRIC
 37 COMPANY MAY NOT, UNDER PARAGRAPH (2) OF THIS SUBSECTION, RECOVER COSTS

1 ~~OF A CONSUMER EDUCATION PROGRAM ESTABLISHED BY LAW, REGULATION, OR~~
2 ~~ORDER.~~

3 ~~7-512.1.~~

4 ~~(A) (1) THE COMMISSION SHALL ESTABLISH A UNIVERSAL SERVICE~~
5 ~~PROGRAM TO ASSIST ELECTRIC CUSTOMERS WITH ANNUAL INCOMES AT OR BELOW~~
6 ~~150% OF THE FEDERAL POVERTY LEVEL.~~

7 ~~(2) THE COMMISSION, WITH INPUT FROM A PANEL OR ROUNDTABLE OF~~
8 ~~INTERESTED PARTIES, SHALL CONTRACT WITH A FOR-PROFIT OR NONPROFIT~~
9 ~~MARYLAND CORPORATION EXISTING AS OF JULY 1, 1999 TO ADMINISTER THE~~
10 ~~UNIVERSAL SERVICE PROGRAM.~~

11 ~~(3) THE COMMISSION SHALL HAVE OVERSIGHT RESPONSIBILITY FOR~~
12 ~~THE UNIVERSAL SERVICE PROGRAM.~~

13 ~~(4) THE COMPONENTS OF THE UNIVERSAL SERVICE PROGRAM SHALL~~
14 ~~INCLUDE:~~

15 ~~(I) BILL ASSISTANCE, AT A MINIMUM OF 50% OF THE DETERMINED~~
16 ~~NEED;~~

17 ~~(II) LOW-INCOME WEATHERIZATION; AND~~

18 ~~(III) THE RETIREMENT OF ARREARAGES THAT WERE INCURRED~~
19 ~~PRIOR TO THE INITIAL IMPLEMENTATION DATE.~~

20 ~~(B) (1) ALL CUSTOMERS WILL CONTRIBUTE TO THE FUNDING OF THE~~
21 ~~UNIVERSAL SERVICE PROGRAM THROUGH A CHARGE COLLECTED BY EACH~~
22 ~~ELECTRIC COMPANY.~~

23 ~~(2) THE COMMISSION SHALL DETERMINE A FAIR AND EQUITABLE~~
24 ~~ALLOCATION FOR COLLECTING THE CHARGES AMONG ALL CUSTOMER CLASSES.~~

25 ~~(3) AN ELECTRIC COMPANY SHALL RECOVER UNIVERSAL SERVICE~~
26 ~~PROGRAM COSTS IN ACCORDANCE WITH § 7-512 OF THIS SUBTITLE.~~

27 ~~(C) ON OR BEFORE DECEMBER 1, 1999, AND ON AN ANNUAL BASIS~~
28 ~~THEREAFTER, THE COMMISSION SHALL REPORT, SUBJECT TO § 2-1246 OF THE STATE~~
29 ~~GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY ON THE UNIVERSAL SERVICE~~
30 ~~PROGRAM, INCLUDING:~~

31 ~~(1) SUBJECT TO SUBSECTIONS (D) AND (E) OF THIS SECTION, A~~
32 ~~RECOMMENDATION ON THE TOTAL AMOUNT OF FUNDS FOR THE PROGRAM FOR THE~~
33 ~~FOLLOWING FISCAL YEAR;~~

34 ~~(2) FOR BILL ASSISTANCE:~~

35 ~~(I) THE TOTAL AMOUNT OF NEED, AS DETERMINED BY THE~~
36 ~~COMMISSION, FOR ELECTRIC CUSTOMERS WITH ANNUAL INCOMES AT OR BELOW~~

1 ~~150% OF THE FEDERAL POVERTY LEVEL AND THE BASIS FOR THIS DETERMINATION;~~
2 ~~AND~~

3 ~~(H) THE PERCENTAGE OF NEED, AS DETERMINED BY THE~~
4 ~~COMMISSION, BUT AT A MINIMUM OF 50%, THAT SHOULD BE FUNDED THROUGH THE~~
5 ~~UNIVERSAL SERVICE PROGRAM AND THE BASIS OF THIS DETERMINATION;~~

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

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

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

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

22 ~~(D) THE TOTAL AMOUNT OF FUNDS TO BE USED FOR THE UNIVERSAL~~
23 ~~SERVICE PROGRAM IN EACH OF THE 3 YEARS FOLLOWING THE INITIAL~~
24 ~~IMPLEMENTATION DATE SHALL BE AS FOLLOWS:~~

25 ~~(1) \$34,000,000 FOR THE FIRST YEAR;~~

26 ~~(2) \$36,000,000 FOR THE SECOND YEAR; AND~~

27 ~~(3) \$38,000,000 FOR THE THIRD YEAR.~~

28 ~~(E) (1) THE COMMISSION SHALL RECOMMEND A TOTAL AMOUNT OF FUNDS~~
29 ~~TO BE USED FOR THE UNIVERSAL SERVICE PROGRAM FOR THE FOURTH YEAR, AND~~
30 ~~EACH YEAR THEREAFTER.~~

31 ~~(2) THE RECOMMENDATION OF THE COMMISSION MAY ONLY BE MADE~~
32 ~~AFTER CONSIDERATION OF:~~

33 ~~(i) INFORMATION RELATED TO THE FUNDING FOR THE FIRST 3~~
34 ~~YEARS;~~

35 ~~(ii) THE RETIREMENT, DURING THE FIRST 3 YEARS, OF~~
36 ~~ARREARAGES INCURRED PRIOR TO THE INITIAL IMPLEMENTATION DATE; AND~~

1 ~~(III) THE AMOUNT OF LOW INCOME ASSISTANCE INCLUDED IN~~
 2 ~~RATES PRIOR TO THE INITIAL IMPLEMENTATION DATE.~~

3 ~~(F) FOR THE FOURTH YEAR AFTER THE INITIAL IMPLEMENTATION DATE, AND~~
 4 ~~FOR EACH YEAR THEREAFTER, THE AMOUNT TO BE USED FOR THE UNIVERSAL~~
 5 ~~SERVICE PROGRAM, DETERMINED AFTER CONSIDERATION OF THE~~
 6 ~~RECOMMENDATION OF THE COMMISSION REQUIRED UNDER THIS SECTION, IS~~
 7 ~~SUBJECT TO THE APPROVAL OF THE GENERAL ASSEMBLY THROUGH THE~~
 8 ~~ENACTMENT OF LEGISLATION.~~

9 ~~(G) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, FOR THE 3~~
 10 ~~YEARS IMMEDIATELY FOLLOWING THE INITIAL IMPLEMENTATION DATE,~~
 11 ~~ELECTRICITY SUPPLIERS AND ELECTRIC COMPANIES MAY NOT TERMINATE, FOR AN~~
 12 ~~ARREARAGE BALANCE DUE ON THE INITIAL IMPLEMENTATION DATE, THE SUPPLY~~
 13 ~~OF ELECTRICITY TO A CUSTOMER WHO RECEIVES ASSISTANCE UNDER THE~~
 14 ~~UNIVERSAL SERVICE PROGRAM UNDER § 7-512.1 OF THIS SUBTITLE THIS SECTION.~~

15 7-513.

16 (A) (1) IN ACCORDANCE WITH THIS SUBSECTION, AN ELECTRIC COMPANY
 17 SHALL BE PROVIDED A FAIR OPPORTUNITY TO RECOVER ALL OF ITS PRUDENTLY
 18 INCURRED AND VERIFIABLE NET TRANSITION COSTS, SUBJECT TO FULL
 19 MITIGATION, FOLLOWING THE COMMISSION'S DETERMINATION UNDER SUBSECTION
 20 (B) OF THIS SECTION.

21 (2) A COMPETITIVE TRANSITION CHARGE, OR OTHER APPROPRIATE
 22 MECHANISM THAT THE COMMISSION DETERMINES, MAY BE INCLUDED AS PART OF
 23 THE CHARGE PAID BY EACH CUSTOMER FOR CUSTOMERS WHO ACCESSES ACCESS
 24 THE TRANSMISSION OR DISTRIBUTION SYSTEM OF THE ELECTRIC COMPANY IN
 25 WHOSE DISTRIBUTION TERRITORY THE CUSTOMER IS LOCATED. THE COSTS
 26 AUTHORIZED BY THE COMMISSION TO BE RECOVERED SHALL BE ALLOCATED TO
 27 CUSTOMER CLASSES IN A MANNER THAT, AS NEARLY AS REASONABLY POSSIBLE,
 28 DOES NOT EXCEED THE COST OF PROVIDING THE SERVICE TO THOSE CLASSES OF
 29 CUSTOMERS, AVOIDING WHERE REASONABLY POSSIBLE ANY INTERCLASS OR
 30 INTRACLASS CROSS SUBSIDY.

31 (3) THE COMPETITIVE TRANSITION CHARGE MAY BE INCLUDED ON
 32 BILLS TO CUSTOMERS FOR A PERIOD DETERMINED BY THE COMMISSION. THE
 33 COMMISSION MAY ESTABLISH RECOVERY PERIODS OF DIFFERENT LENGTHS FOR
 34 EACH ELECTRIC COMPANY AND FOR DIFFERENT CATEGORIES OF TRANSITION
 35 COSTS.

36 (4) (I) A COMPETITIVE TRANSITION CHARGE, OR OTHER APPROPRIATE
 37 MECHANISM DETERMINED BY THE COMMISSION, MAY NOT BE PAID FOR APPLY TO
 38 ANY ON-SITE GENERATED ELECTRICITY TO THE EXTENT OF:

39 + THE EXISTING FACILITIES' INSTALLED GENERATING
 40 CAPACITY AS OF JANUARY 1, 1999; OR

1 2. ~~THE GENERATING CAPACITY OF AN EXISTING FACILITY~~
2 ~~TO BE INSTALLED UNDER A LEGALLY BINDING CONTRACT.~~

3 A. ~~EXECUTED ON OR BEFORE JANUARY 1, 1999; OR~~

4 B. ~~EXECUTED ON OR BEFORE SEPTEMBER 29, 1999, IF THE~~
5 ~~COMMISSION, ON A CASE BY CASE REVIEW OF THE EVIDENCE, DETERMINES THAT~~
6 ~~NEGOTIATIONS IN GOOD FAITH CONCERNING THE CONTRACT WERE ONGOING AS OF~~
7 ~~JANUARY 1, 1999; OR~~

8 3. ~~THE GENERATING CAPACITY OF ON-SITE GENERATING~~
9 ~~FACILITIES INSTALLED AFTER JANUARY 1, 2000, AS DETERMINED BY THE~~
10 ~~COMMISSION, FROM MICRO-TURBINES, PHOTOVOLTAICS, FUEL CELLS, AND WIND~~
11 ~~MACHINES THAT HAVE A CAPACITY OF 500 KILOWATTS OR LESS WITH FUEL~~
12 ~~UTILIZATION EFFICIENCY OF AT LEAST 40%.~~

13 (H) ~~1. ONLY THE FIRST 40 MEGAWATTS, ON A STATEWIDE BASIS,~~
14 ~~OF THE AGGREGATE GENERATING CAPACITY OF ON-SITE GENERATING FACILITIES~~
15 ~~MAY QUALIFY UNDER SUBPARAGRAPH (I)2 B OF THIS PARAGRAPH.~~

16 2. ~~ONLY THE FIRST 40 MEGAWATTS, ON A STATEWIDE BASIS,~~
17 ~~OF THE AGGREGATE GENERATING CAPACITY OF ON-SITE GENERATING FACILITIES~~
18 ~~MAY QUALIFY UNDER SUBPARAGRAPH (I)3 OF THIS PARAGRAPH.~~

19 (B) ~~THE COMMISSION SHALL DETERMINE THE TRANSITION COSTS AND THE~~
20 ~~AMOUNTS OF THE TRANSITION COSTS THAT AN ELECTRIC COMPANY SHALL BE~~
21 ~~PROVIDED AN OPPORTUNITY TO RECOVER UNDER ITS RESTRUCTURING PLAN~~
22 ~~THROUGH THE COMPETITIVE TRANSITION CHARGE OR OTHER APPROPRIATE~~
23 ~~MECHANISM.~~

24 (C) (1) ~~AFTER JULY 1, 1999, AN ELECTRIC COMPANY MAY APPLY TO THE~~
25 ~~COMMISSION FOR A QUALIFIED RATE ORDER FOR SOME OR ALL OF ITS TRANSITION~~
26 ~~COSTS.~~

27 (2) ~~IF THE COMMISSION ISSUES A QUALIFIED RATE ORDER AND THE~~
28 ~~TRANSITION BONDS APPROVED BY THAT ORDER ARE SUCCESSFULLY ISSUED:~~

29 (i) ~~THE ELECTRIC COMPANY SHALL IMPOSE AND COLLECT,~~
30 ~~THROUGH ITS CUSTOMER BILLS, THE INTANGIBLE TRANSITION CHARGES APPROVED~~
31 ~~BY THE QUALIFIED RATE ORDER; AND~~

32 (ii) ~~AT THE SAME TIME, THE ELECTRIC COMPANY'S COMPETITIVE~~
33 ~~TRANSITION CHARGE SHALL BE REDUCED BY AN AMOUNT EQUAL TO THAT PORTION~~
34 ~~OF THE COMPETITIVE TRANSITION CHARGE RELATED TO THE TRANSITION COSTS~~
35 ~~FOR WHICH TRANSITION BONDS HAVE BEEN SUCCESSFULLY ISSUED, TOGETHER~~
36 ~~WITH ANY COSTS OF CAPITAL RELATED TO THE TRANSITION COSTS FOR WHICH~~
37 ~~RECOVERY WAS PROVIDED IN THE COMPETITIVE TRANSITION CHARGE, AS~~
38 ~~PROVIDED IN THE QUALIFIED RATE ORDER.~~

1 (D) (1) ~~THE COMMISSION SHALL ESTABLISH PROCEDURES FOR THE~~
 2 ~~ANNUAL REVIEW OF THE COMPETITIVE TRANSITION CHARGE FOR EACH ELECTRIC~~
 3 ~~COMPANY TO RECONCILE THE ANNUAL REVENUES RECEIVED FROM THE CHARGE~~
 4 ~~WITH THE ANNUAL AMORTIZATION OF TRANSITION COSTS APPROVED BY THE~~
 5 ~~COMMISSION UNDER THIS SECTION TO TAKE ACCOUNT OF ACTUAL KILOWATT-HOUR~~
 6 ~~SALES IN THE PRIOR YEAR COMPARED WITH PREVIOUSLY ESTIMATED~~
 7 ~~KILOWATT HOUR SALES. THE COMMISSION SHALL ADJUST THE COMPETITIVE~~
 8 ~~TRANSITION CHARGE BASED ON ANY UNDER RECOVERY OR OVER RECOVERY WITH~~
 9 ~~RESPECT TO THE AUTHORIZED AMORTIZATION AMOUNT.~~

10 (2) ~~NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO PREVENT AS~~
 11 ~~PREVENTING THE COMMISSION FROM APPROVING FOR AN INVESTOR OWNED~~
 12 ~~ELECTRIC COMPANY.~~

13 (I) ~~AN ADJUSTMENT MECHANISM PROPOSED BY THE~~
 14 ~~INVESTOR OWNED ELECTRIC COMPANY IN ITS INITIAL RESTRUCTURING PROPOSAL~~
 15 ~~FILED PRIOR TO JANUARY 1, 1999, THAT INCLUDES TAKES INTO ACCOUNT~~
 16 ~~DIFFERENCES OTHER THAN DIFFERENCES IN KILOWATT HOUR SALES, TAKING INTO~~
 17 ~~CONSIDERATION ANY REQUIREMENTS RELATED TO ANY TRANSITION BONDS, OR~~

18 (II) ~~AN ADJUSTMENT THAT TAKES INTO ACCOUNT GENERATION~~
 19 ~~ASSET SALES BY AN ELECTRIC COMPANY OR AN AFFILIATE TO A NONAFFILIATE~~
 20 ~~THAT ARE CONSUMMATED ON OR BEFORE JUNE 30, 2005; OR~~

21 (III) ~~ANY OTHER MECHANISM AS PART OF A SETTLEMENT.~~

22 (E) (1) ~~IN DETERMINING THE APPROPRIATE TRANSITION COSTS OR~~
 23 ~~BENEFITS FOR EACH ELECTRIC COMPANY'S GENERATION RELATED ASSETS, THE~~
 24 ~~COMMISSION SHALL CONSIDER, IN ADDITION TO OTHER APPROPRIATE EVIDENCE OF~~
 25 ~~VALUE:~~

26 (I) ~~BOOK VALUE AND FAIR MARKET VALUE;~~

27 (II) ~~AUCTIONS AND SALES OF COMPARABLE ASSETS;~~

28 (III) ~~APPRAISALS;~~

29 (IV) ~~THE REVENUE THE COMPANY WOULD RECEIVE UNDER~~
 30 ~~RATE OF RETURN REGULATION;~~

31 (V) ~~THE REVENUE THE COMPANY WOULD RECEIVE IN A~~
 32 ~~RESTRUCTURED ELECTRICITY SUPPLY MARKET; AND~~

33 (VI) ~~COMPUTER SIMULATIONS.~~

34 (2) ~~THE COMMISSION SHALL DETERMINE WHETHER AND TO WHAT~~
 35 ~~EXTENT THERE SHALL BE ANY ALLOCATION OF TRANSITION COSTS OR BENEFITS~~
 36 ~~BETWEEN SHAREHOLDERS AND RATEPAYERS IN ACCORDANCE WITH ANY FEDERAL~~
 37 ~~AND STATE LAW.~~

1 ~~7-514.~~

2 (A) ~~ON COMPLAINT OR ON ITS OWN MOTION, FOR GOOD CAUSE SHOWN, THE~~
3 ~~COMMISSION MAY CONDUCT AN INVESTIGATION OF THE RETAIL ELECTRICITY~~
4 ~~SUPPLY AND ELECTRICITY SUPPLY SERVICES MARKETS AND DETERMINE WHETHER~~
5 ~~THE FUNCTION OF ONE OF THESE MARKETS IS BEING ADVERSELY AFFECTED BY~~
6 ~~MARKET POWER OR ANY OTHER ANTICOMPETITIVE CONDUCT. THE COMMISSION~~
7 ~~SHALL MONITOR THE RETAIL ELECTRICITY SUPPLY AND ELECTRICITY SUPPLY~~
8 ~~SERVICES MARKETS TO ENSURE THAT THE MARKETS ARE NOT BEING ADVERSELY~~
9 ~~AFFECTED BY MARKET POWER OR ANY OTHER ANTICOMPETITIVE CONDUCT.~~

10 (B) ~~IF, AS A RESULT OF AN INVESTIGATION CONDUCTED UNDER THIS~~
11 ~~SECTION, THE COMMISSION DETERMINES THAT MARKET POWER OR ANY OTHER~~
12 ~~ANTICOMPETITIVE CONDUCT IN THE RELEVANT MARKET UNDER THE COMMISSION'S~~
13 ~~JURISDICTION IS PREVENTING THE ELECTRIC CUSTOMERS IN THE STATE FROM~~
14 ~~OBTAINING THE BENEFITS OF PROPERLY FUNCTIONING RETAIL ELECTRICITY~~
15 ~~SUPPLY AND ELECTRICITY SUPPLY SERVICES MARKETS, THE COMMISSION MAY~~
16 ~~TAKE REMEDIAL ACTIONS WITHIN ITS AUTHORITY TO ADDRESS THE IMPACT OF THE~~
17 ~~MARKET POWER OR ANY OTHER ANTICOMPETITIVE CONDUCT ACTIVITIES.~~

18 (C) ~~THE COMMISSION SHALL INCLUDE ANTITRUST PRINCIPLES IN~~
19 ~~PERFORMING ITS ANALYSIS UNDER THIS SECTION.~~

20 (D) ~~THE COMMISSION SHALL COOPERATE WITH AND SHARE INFORMATION~~
21 ~~WITH THE ANTITRUST DIVISION OF THE OFFICE OF THE ATTORNEY GENERAL.~~

22 (E) ~~THE RIGHTS AND REMEDIES PROVIDED IN THIS SECTION SUPPLEMENT~~
23 ~~ANY OTHER RIGHTS OR REMEDIES THAT MAY EXIST UNDER STATE OR FEDERAL LAW~~
24 ~~OR COMMON LAW.~~

25 ~~7-515.~~

26 ~~AN ELECTRICITY SUPPLIER THAT ALSO PROVIDES DISTRIBUTION SERVICE, OR~~
27 ~~THAT HAS AN AFFILIATE THAT PROVIDES DISTRIBUTION SERVICE, IN~~
28 ~~PENNSYLVANIA, DELAWARE, WEST VIRGINIA, AND VIRGINIA OR IN THE DISTRICT OF~~
29 ~~COLUMBIA MAY NOT PROVIDE RETAIL ELECTRICITY SUPPLY SERVICE, DIRECTLY,~~
30 ~~INDIRECTLY, OR THROUGH AN AGGREGATOR, MARKETER, OR BROKER, IN THE~~
31 ~~DISTRIBUTION TERRITORY OF AN UNAFFILIATED ELECTRIC COMPANY UNLESS~~
32 ~~THERE IS ELECTRICITY SUPPLY COMPETITION IN AT LEAST A PORTION OF THE~~
33 ~~DISTRIBUTION SERVICE AREA OF THE ELECTRICITY SUPPLIER OR AFFILIATE.~~

34 ~~7-516.~~

35 (A) ~~AN ELECTRIC COMPANY SHALL CONTINUE TO PURCHASE ELECTRICITY~~
36 ~~UNDER ANY CONTRACT IN EFFECT ON JANUARY 1, 1999, WITH A RENEWABLE ENERGY~~
37 ~~RESOURCE FACILITY LOCATED IN THE STATE UNTIL THE LATER OF THE EXPIRATION~~
38 ~~OF THE CONTRACT OR THE EXPIRATION OR SATISFACTION OF BONDS EXISTING ON~~
39 ~~JANUARY 1, 1999, SUPPORTING THE FACILITY.~~

1 ~~(B) ON OR BEFORE FEBRUARY 1, 2000, THE COMMISSION, IN CONSULTATION~~
 2 ~~WITH THE MARYLAND ENERGY ADMINISTRATION, SHALL REPORT TO THE~~
 3 ~~GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE~~
 4 ~~GENERAL ASSEMBLY ON THE FEASIBILITY OF REQUIRING A RENEWABLES~~
 5 ~~PORTFOLIO STANDARD AND THE ESTIMATED COSTS AND BENEFITS OF~~
 6 ~~ESTABLISHING THIS REQUIREMENT.~~

7 ~~7-516, 7-517.~~

8 THIS SUBTITLE MAY BE REFERRED TO AS "THE ELECTRIC CUSTOMER CHOICE
 9 AND COMPETITION ACT OF 1999".

10 ~~7-517. RESERVED.~~

11 ~~7-518. RESERVED.~~

12 **Article — Natural Resources**

13 ~~3-308.~~

14 ~~THE SECRETARY SHALL USE THE ENVIRONMENTAL TRUST FUND, INCLUDING~~
 15 ~~ANY ADDITIONAL AMOUNTS APPROPRIATED BY THE GENERAL ASSEMBLY, TO THE~~
 16 ~~MAXIMUM EXTENT POSSIBLE TO FUND COST-EFFECTIVE ENERGY EFFICIENCY AND~~
 17 ~~CONSERVATION ACTIVITIES AND THE IN-STATE OPERATION AND DEVELOPMENT OF~~
 18 ~~RENEWABLE ENERGY RESOURCES, AS DEFINED IN § 1-101 OF THE PUBLIC UTILITY~~
 19 ~~COMPANIES ARTICLE.~~

20 **Article — Commercial Law**

21 ~~9-104.~~

22 This title does not apply

23 (m) ~~To a transfer of an interest in a letter of credit other than the rights~~
 24 ~~to proceeds of a written letter of credit; OR~~

25 (N) ~~TO INTANGIBLE TRANSITION PROPERTY AS DEFINED IN § 7-501 OF~~
 26 ~~THE PUBLIC UTILITY COMPANIES ARTICLE.~~

27 ~~SECTION 2. AND BE IT FURTHER ENACTED, That Section (c) 4-403 of the~~
 28 ~~Public Utility Companies Article of the Annotated Code of Maryland be repealed. Any~~
 29 ~~net accumulated over-recovery or under-recovery of actual fuel costs by each electric~~
 30 ~~company as of the initial implementation date under Title 7, Subtitle 5 of the Public~~
 31 ~~Utility Companies Article, as enacted by this Act, shall be credited or debited, as~~
 32 ~~appropriate, to the electric company's rates and shall be refunded or collected, as~~
 33 ~~appropriate, over a period not to exceed 12 months.~~

34 ~~SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland~~
 35 ~~read as follows:~~

Article – Public Utility Companies

1

2 ~~7-203.~~3 (a) (1) The Commission shall:4 (i) impose an environmental surcharge per kilowatt hour of
5 electricity [generated] DISTRIBUTED TO RETAIL ELECTRIC CUSTOMERS within the
6 State; and7 (ii) authorize each electric company to add the full amount of the
8 surcharge to its customers' bills.9 (2) To the extent that an electric company fails to collect the surcharge
10 from its customers, the amount uncollected shall be deemed a cost of power
11 [generation] DISTRIBUTION and allowed and computed as such together with other
12 allowable expenses for purposes of rate making.13 (b) (1) The Comptroller shall collect the revenue from the surcharge
14 imposed under subsection (a) of this section and place the revenue into a special fund,
15 the Environmental Trust Fund.16 (2) The Comptroller shall maintain the method of collection of the
17 surcharge from each electric company, and the money collected shall accrue to the
18 Fund.19 (c) (1) Each fiscal year, the Secretary of Natural Resources shall coordinate
20 the preparation of the annual budget required to carry out the provisions of the Power
21 Plant Research Program under Title 3, Subtitle 3 of the Natural Resources Article.22 (2) Each fiscal year, on approval of the annual budget by the General
23 Assembly for the Power Plant Research Program, the Commission shall establish the
24 amount of the environmental surcharge per kilowatt hour of electric energy
25 [generated] DISTRIBUTED in the State that is to be imposed on each electric company
26 in accordance with subsection (a) of this section.27 (d) (1) Notwithstanding any other provision of this subtitle, the amount of
28 the surcharge for each account OF EACH RETAIL ELECTRIC CUSTOMER may not
29 exceed the lesser of 0.15 mill per kilowatt hour or \$1,000 per month.30 (2) The Department of Natural Resources shall credit against the
31 amount the Commission requires each electric company to pay into the
32 Environmental Trust Fund 1.5% of the total surcharge amount attributed to the
33 electric company on the basis of the amount of the electricity [generated]
34 DISTRIBUTED in the State.35 (e) The surcharge imposed under this subtitle shall terminate on June 30,
36 [2000] 2005.

1 Article - Natural Resources2 3-302.

3 (a) There is an Environmental Trust Fund. For the purpose of this subtitle,
4 there is established as an added cost of [generation] ELECTRICITY DISTRIBUTED TO
5 RETAIL ELECTRIC CUSTOMERS WITHIN THE STATE, an environmental surcharge per
6 kilowatt hour of electric energy [generated] DISTRIBUTED in the State to be paid by
7 any electric company as defined in § 1-101 of the Public Utility Companies Article.
8 [This surcharge initially shall be assessed at 0.1 mill per kilowatt hour as of January
9 1, 1972.] The Public Service Commission shall impose the surcharge per kilowatt
10 hour of electric energy [generated] DISTRIBUTED TO RETAIL ELECTRIC CUSTOMERS
11 within the State and shall authorize the electric companies to add the full amount of
12 the surcharge to RETAIL ELECTRIC customers' bills. To the extent that the surcharge
13 is not collected from RETAIL ELECTRIC customers, the surcharge shall be deemed a
14 cost of [generation] DISTRIBUTION and shall be allowed and computed as such,
15 together with other allowable expenses, for rate making purposes. Revenues from
16 the surcharge shall be collected by the Comptroller and placed in the Fund.

17 (b) (1) The Secretary, in consultation with the Director of the Maryland
18 Energy Administration, annually shall coordinate the preparation of a budget
19 required to carry out the provisions of this subtitle. Upon approval of the budget by
20 the General Assembly, the Public Service Commission shall establish the amount of
21 the surcharge per kilowatt hour for the fiscal year beginning July 1, 1972, and for
22 each subsequent fiscal year.

23 (2) Notwithstanding any other provisions of this subtitle, the amount of
24 the surcharge for each account FOR EACH RETAIL ELECTRIC CUSTOMER may not
25 exceed the lesser of 0.15 [mil] MILL per kilowatt hour or \$1,000 per month and the
26 surcharge may not continue beyond Fiscal Year [2000] 2005.

27 (3) The Comptroller shall maintain the method of collection of the
28 surcharge from the companies and the collections shall accrue to the Fund. The
29 Department shall credit against the amount required to be paid into the
30 Environmental Trust Fund by each electric company an amount equal to 1-1/2% of the
31 total surcharge attributed to each company on the basis of the electricity [generated]
32 DISTRIBUTED within Maryland.

33 (c) The Secretary shall administer the Fund. The Fund is subject to the
34 provisions for financial management and budgeting established by the Department of
35 Budget and Management. The moneys in the Fund shall be used to carry out the
36 provisions of this subtitle as provided for in the budget, except that 10% of all moneys
37 accruing to the Fund from July 1, 1978 through June 30, 1983 shall be used to
38 supplement funds necessary to carry out the duties of the People's Counsel of the
39 Public Service Commission. The People's Counsel shall submit an annual budget of
40 necessary supplemental funds to the Department to be incorporated in the
41 Department's budget. For the purposes of this subtitle, the Secretary, in consultation
42 with the Director of the Maryland Energy Administration, may execute appropriate
43 contracts with any State or federal agency, research organization, industry, or

~~1 academic institution to conduct the necessary research, construct or acquire, or both;
2 real property including physical predictive models, laboratories, buildings, land, and
3 appurtenances, or support the technological development of extraordinary systems
4 related to power plants designed to minimize environmental impact. [He] THE
5 SECRETARY may utilize available expertise in any other State unit in the
6 development, execution, and management of contracts and agreements on projects
7 relating to their areas of prime responsibility.~~

~~8 (d) (1) The Maryland Energy Administration shall receive administrative
9 and fiscal support from the Fund for studies relating to the conservation or
10 production of electric energy.~~

~~11 (2) Fiscal support to the Maryland Energy Administration from the
12 Fund may not exceed \$250,000 in any fiscal year.~~

~~13 (e) The Legislative Auditor shall conduct post audits of a fiscal and
14 compliance nature of the Fund and of the appropriations and expenditures made for
15 the purposes of this subtitle. The cost of the fiscal portion of the post audit
16 examinations shall be an operating cost of the Fund.~~

~~17 SECTION 4. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall
18 take effect July 1, 2000, provided that, if the Public Service Commission delays
19 implementation of customer choice in accordance with the provisions of § 7-510(b) of
20 the Public Utility Companies Article, the surcharge funding the Environmental Trust
21 Fund pursuant to § 7-203 of the Public Utility Companies Article shall continue to be
22 collected as a per kilowatt hour surcharge on electricity generated within the State
23 until customer choice is implemented.~~

~~24 SECTION 5. AND BE IT FURTHER ENACTED, That the Governor is
25 authorized to submit a budget amendment for the fiscal year ending June 30, 2000,
26 transferring \$6,000,000 from the Revenue Stabilization Fund to be used for the
27 purpose of educating consumers on electric utility industry restructuring. In
28 accordance with § 7-505(b) of the Public Utility Companies Article, the Public Service
29 Commission shall use the allocated funds during the fiscal year ending June 30, 2000,
30 to implement a consumer education program informing customers of changes in the
31 electric industry. On or before September 1, 1999, the Public Service Commission
32 shall report to the Governor and, subject to § 2-1246 of the State Government Article,
33 to the General Assembly on: (1) the recommended funding level, between \$3,000,000
34 and \$6,000,000, for the consumer education program for the fiscal year ending June
35 30, 2001; (2) the recommended method of funding for the program; and (3) if
36 applicable, the impact that the funding method will have on customers' costs for
37 electricity. On or before September 1, 2000, the Public Service Commission shall
38 report to the Governor and, subject to § 2-1246 of the State Government Article, to
39 the General Assembly on: (1) the recommended funding level, between \$3,000,000 and
40 \$6,000,000, for the consumer education program for the fiscal year ending June 30,
41 2002; (2) the recommended method of funding for the program; and (3) if applicable,
42 the impact that the funding method will have on customers' costs for electricity.~~

1 ~~SECTION 6. AND BE IT FURTHER ENACTED, That, on or before December 1,~~
2 ~~1999, the Public Service Commission shall report to the Governor and, subject to §~~
3 ~~2-1246 of the State Government Article, to the General Assembly on: (1) the~~
4 ~~determinations of any transition costs or any transition benefits for the various~~
5 ~~electric companies; and (2) the status of the Public Service Commission's~~
6 ~~considerations regarding the functional, operational, structural, or legal separation~~
7 ~~between electric companies' regulated businesses and their nonregulated businesses~~
8 ~~or nonregulated affiliates.~~

9 ~~SECTION 3-7. AND BE IT FURTHER ENACTED, That if any provision of this~~
10 ~~Act or the application thereof to any person or circumstance is held invalid for any~~
11 ~~reason in a court of competent jurisdiction, the invalidity does not affect other~~
12 ~~provisions or any other application of this Act which can be given effect without the~~
13 ~~invalid provision or application, and for this purpose the provisions of this Act are~~
14 ~~declared severable.~~

15 ~~SECTION 4-8. AND BE IT FURTHER ENACTED, That Section 2 of this Act~~
16 ~~shall take effect on the later of July 1, 2000, and the initial implementation date that~~
17 ~~the Public Service Commission determines for investor-owned utilities under §~~
18 ~~7-510(b)(1) of the Public Utility Companies Article, as enacted by this Act.~~

19 ~~SECTION 5-9. AND BE IT FURTHER ENACTED, That Sections 1, 3, and 4 of,~~
20 ~~except as provided in Sections 4 and 8 of this Act, this Act shall take effect July 1,~~
21 ~~1999.~~