
By: **Senator Pipkin**

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

Introduced and read first time: March 22, 2006

Rules suspended

Assigned to: Finance

Committee Report: Favorable

Senate action: Adopted

Read second time: March 27, 2006

CHAPTER _____

1 AN ACT concerning

2 **Constellation Energy Group, Inc., and Baltimore Gas and Electric Company**
 3 **- Return of Transition Costs**

4 FOR the purpose of prohibiting a certain merger between FPL Group, Inc. and
 5 Constellation Energy Group, Inc., from occurring and prohibiting Baltimore Gas
 6 and Electric Company (BGE) from increasing certain electricity rates until
 7 Constellation Energy returns a certain amount of money in transition costs to
 8 BGE; requiring BGE to use certain transition costs to reduce a certain increase
 9 in certain electricity rates; requiring Constellation Energy to reimburse BGE for
 10 certain losses if Constellation Energy fails to return certain transition costs to
 11 BGE; and generally relating to the return of transition costs recovered by BGE
 12 from Constellation Energy Group, Inc., to BGE.

13 BY adding to
 14 Article - Public Utility Companies
 15 Section 7-518
 16 Annotated Code of Maryland
 17 (1998 Volume and 2005 Supplement)

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

1

Article - Public Utility Companies

2 7-518.

3 (A) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, UNTIL
4 CONSTELLATION ENERGY GROUP, INC., RETURNS TO THE BALTIMORE GAS AND
5 ELECTRIC COMPANY THE \$528,000,000 IN TRANSITION COSTS THAT WERE
6 RECOVERED BY BALTIMORE GAS AND ELECTRIC COMPANY IN ACCORDANCE WITH §
7 7-513 OF THIS SUBTITLE AND PUBLIC SERVICE COMMISSION ORDER NO. 75757:

8 (1) A MERGER BETWEEN FPL GROUP, INC., AND CONSTELLATION
9 ENERGY GROUP, INC., MAY NOT OCCUR; AND

10 (2) BALTIMORE GAS AND ELECTRIC COMPANY MAY NOT INCREASE
11 ELECTRICITY RATES FOR RESIDENTIAL CUSTOMERS IN THE BALTIMORE GAS AND
12 ELECTRIC SERVICE TERRITORY.

13 (B) BALTIMORE GAS AND ELECTRIC COMPANY SHALL USE THE TRANSITION
14 COSTS RETURNED IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION TO
15 REDUCE ANY INCREASE IN ELECTRICITY RATES FOR RESIDENTIAL CUSTOMERS IN
16 THE BALTIMORE GAS AND ELECTRIC SERVICE TERRITORY THAT MAY OCCUR AFTER
17 ELECTRICITY RATE CAPS FOR RESIDENTIAL CUSTOMERS EXPIRE.

18 (C) IF CONSTELLATION ENERGY GROUP, INC., DOES NOT RETURN THE
19 TRANSITION COSTS TO BALTIMORE GAS AND ELECTRIC COMPANY, CONSTELLATION
20 ENERGY GROUP, INC., SHALL REIMBURSE BALTIMORE GAS AND ELECTRIC COMPANY
21 FOR ANY LOSSES INCURRED BY BALTIMORE GAS AND ELECTRIC COMPANY THAT ARE
22 DIRECTLY ATTRIBUTABLE TO THE PROHIBITION ON ELECTRICITY RATE INCREASES
23 UNDER SUBSECTION (A) OF THIS SECTION.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 June 1, 2006.