

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND

1999 Legislative Session

Resolution No. CR-5-1999

Proposed by Council Members Estepp, Hendershot, Russell, Scott and Wilson

Introduced by Council Members Estepp, Hendershot, Russell, Scott and Wilson

Co-Sponsors _____

Date of Introduction March 23, 1999

RESOLUTION

1 A RESOLUTION concerning

2 Electric Utility Deregulation

3 For the purpose of advising the Prince George's County Delegation to the Maryland General
4 Assembly of the Prince George's County Council's concerns about electric utility deregulation in
5 Maryland.

6 WHEREAS, the electricity industry is being changed on the federal and state levels from an
7 industry that owns and operates all levels of electricity generation, transmission, and distribution
8 to an industry in which transmission and distribution of electricity will continue to be regulated,
9 while the generation of electricity will be deregulated and subject to an open free-market
10 competition for consumers; and

11 WHEREAS, meter reading and billing are two other operational areas of the electric utility
12 industry being considered for open competition by the Maryland General Assembly; and

13 WHEREAS, effective competition in the generation of electricity by independent power
14 producers and non-utility generators has been encouraged through the enactment of the Public
15 Regulatory Policies Act of 1978 and the Energy Policy Act of 1992; and

16 WHEREAS, Maryland's Public Service Commission directed that competition among
17 electrical providers begin for one-third of the State by July 1, 2000, two-thirds by July 1, 2001,
18 and the entire State by July 1, 2002; and

19 WHEREAS, the restructuring of state and local economic and taxation policies and
20 practices, developed for an industry of regulated monopolies, to an environment which
21 encourages competition among market participants located within and without the State is very
22 complex and must be managed carefully; and

1 WHEREAS, it is the General Assembly's responsibility to preside over the debate as to how
2 electric competition in Maryland shall be structured; and

3 WHEREAS, legislation to allow choice among electric providers is pending in the 1999
4 Session of the Maryland General Assembly, and

5 WHEREAS, companion legislation is also pending that will restructure Maryland's personal
6 property tax on electric utilities as well as the gross receipts tax on electric utilities; and

7 WHEREAS, any tax restructuring proposal may impact on local jurisdictions tax revenues;
8 and

9 WHEREAS, the Prince George's County Council recognizes the complexities confronting
10 the General Assembly in its efforts to balance the myriad of competing interest in moving
11 forward with deregulation of the electric utility industry.

12 NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's
13 County, Maryland, that the Prince George's County Council requests that the Prince George's
14 County Delegation to the Maryland General Assembly give appropriate weight to the following
15 when considering the deregulation of electric utilities in Maryland:

16 1.) Protect Consumer Rates -- Protect consumers rates by ensuring that customer
17 billing and meter reading is not deregulated and open to competition. These operations should
18 remain a function of the local distribution or transmission monopoly. Deregulated generation
19 costs should be unbundled from all other utility costs on consumers bills so the average
20 consumer can make an informed comparison of competing electric generation companies rates.

21 2.) Social Assistance -- Continue social assistance to low and fixed income
22 consumers to ensure they continue to receive the same social assistance in the free competitive
23 market place that they are now receiving in the regulated market.

24 3.) Tax Restructuring -- Tax restructuring of the gross receipt and the personal
25 property tax on electric utility holdings should, to the extent practicable, have a revenue-neutral
26 effect on local jurisdictions, in essence holding them harmless from the effects of any tax
27 restructuring. The Council urges you to support the Maryland Association of Counties position
28 on tax restructuring, and the Council also urges you to create a fair mechanism to tax
29 restructuring that will simply redistribute the current taxes without offering a tax reduction.

1 BE IT FURTHER RESOLVED that the Clerk of the Council shall forward a copy of this
2 Resolution to the Chairman of the Prince George's Senate and the House Delegation to the
3 Maryland General Assembly and to each member of the Maryland Congressional Delegation.

4 Adopted this 23rd day of March, 1999.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
M. H. Jim Estepp
Chairman

ATTEST:

Joyce T. Sweeney
Clerk of the Council