

(e) (1) Notwithstanding subsections (b), (c), (d), and (g) of this section, the Commission may approve the issuance of stocks, bonds, securities, notes, or other evidence of indebtedness in connection with the organization of a new public service company by the purchaser of the franchise or property of a public service company sold under judicial proceedings, mortgage, or deed of trust.

(2) An issuance that the Commission approves under this subsection shall be in the amount that the Commission considers necessary fully to protect the rights and equities of the holders of the securities of the predecessor company.

(f) A public service company's application for authorization under this section of long-term debt in excess of \$1,000,000 shall include a copy of any restrictive covenant attached to the debt.

(g) (1) Except as provided in paragraph (2) of this subsection, this section does not prevent a public service company from issuing, without the prior consent of the Commission, notes that are:

- (i) for proper corporate purposes;
- (ii) not otherwise in violation of the law; and

(iii) payable at periods totaling not more than 12 months after the date of issuance.

(2) Except as authorized under subsection (b) or (c) of this section, notes issued under paragraph (1) of this subsection may not be refunded directly or indirectly, wholly or partly, by an evidence of indebtedness running for more than 12 months.

6-103.

(a) This section applies only to public service companies that [are] OPERATE IN Maryland [corporations].

(b) (1) A public service company may not:

(i) capitalize or issue bonds against or as lien on a contract for consolidation, merger, or lease; or

(ii) except as provided in paragraph (2) of this subsection, capitalize a franchise or the right to own a franchise.

(2) A public service company may capitalize a franchise or right to own a franchise in an amount not exceeding the amount, exclusive of any tax or annual charge, actually paid to the State or a political subdivision as consideration for the grant of the franchise or right.

(c) The stated capital, as determined under Title 2, Subtitle 3 of the Corporations and Associations Article, of a public service company formed by a merger or consolidation of corporations may not exceed, solely by virtue of the merger or consolidation, the stated capital of the corporations merged or consolidated plus any additional sum paid in cash.