

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Tax - General

8-405.

(D) IN DETERMINING THE TAX UNDER THIS SECTION, THE DEPARTMENT SHALL ALLOW A CREDIT IN THE AMOUNT OF \$3 FOR EACH TON OF MARYLAND-MINED COAL THAT THE PUBLIC SERVICE COMPANY, INCLUDING ANY MULTIJURISDICTIONAL PUBLIC SERVICE COMPANY, PURCHASED IN--THE CALENDAR--YEAR--IN--EXCESS--OF--THE--NUMBER--OF--TONS--OF--MARYLAND-MINED COAL--THAT--THE--COMPANY--PURCHASED--IN 1987-1986,--THIS--CREDIT--SHALL REDUCE--THE--COST--OF--COAL--FOR--THE--PURPOSE--OF--PEER-RATE-ADJUSTMENTS.

{E}--A--PUBLIC--SERVICE--COMPANY--ELIGIBLE--FOR--A--CREDIT--UNDER SUBSECTION--(D)--OF--THIS--SECTION--SHALL--BE--ELIGIBLE--TO--RECEIVE--THAT CREDIT--FOR--ENERGY:

{1}--THAT--WAS--PURCHASED--FROM--A--COGENERATOR--THAT--IS--NOT ELIGIBLE--FOR--THE--CREDIT--UNDER--SUBSECTION--(D)--OF--THIS--SECTION;

{2}--THAT--WAS--PRODUCED--BY--MARYLAND-MINED--COAL;--AND

{3}--IF--THE--PUBLIC--SERVICE--COMPANY--FILES--AN--OATH, PURSUANT--TO--§--1-203--OF--THIS--ARTICLE,--THAT--STATES--THE--EXACT--AMOUNT OF--MARYLAND-MINED--COAL--USED--TO--PRODUCE--THE--ENERGY--THAT--WAS PURCHASED--FROM--THE--COGENERATOR:

(1) IN THE CALENDAR YEAR IN EXCESS OF THE NUMBER OF TONS OF MARYLAND-MINED COAL THAT THE PUBLIC SERVICE COMPANY PURCHASED IN 1986; OR

(2) IN THE FORM OF ENERGY:

(I) FROM A COGENERATOR THAT IS NOT ELIGIBLE FOR THE CREDIT UNDER PARAGRAPH (1) OF THIS SUBSECTION;

(II) THAT WAS PRODUCED BY MARYLAND-MINED COAL THAT THE COGENERATOR PURCHASED IN THE CALENDAR YEAR IN EXCESS OF THE AMOUNT OF MARYLAND-MINED COAL THAT THE COGENERATOR PURCHASED IN 1986 AND FOR WHICH THE PUBLIC SERVICE COMPANY, INCLUDING A MULTIJURISDICTIONAL PUBLIC SERVICE COMPANY, FILES A STATEMENT OF OATH FROM THE COGENERATOR THAT CERTIFIES THE INFORMATION SUBSTANTIATING THE CREDIT, AS REQUIRED BY THE DEPARTMENT; AND

(III) IF THE PUBLIC SERVICE COMPANY, INCLUDING A MULTIJURISDICTIONAL PUBLIC SERVICE COMPANY, PURCHASED AT LEAST AS MANY TONS OF MARYLAND-MINED COAL AS IN 1986.

{F} (E) IN THIS SECTION, "COGENERATOR" MEANS A COGENERATOR OR QUALIFYING COGENERATOR OR QUALIFYING SMALL POWER PRODUCER AS