

CHAPTER 140

(Senate Bill 64)

AN ACT concerning

Public Service Commission Law - Telephone Companies - Alternative Forms of Regulation

FOR the purpose of authorizing the Public Service Commission to regulate a telephone company by means of an alternative form of regulation, subject to certain conditions.

BY repealing and reenacting, with amendments,
Article 78 - Public Service Commission Law
Section 69

Annotated Code of Maryland

(1991 Replacement Volume and 1994 Supplement)

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

Article 78 - Public Service Commission Law

69.

(a) "Just and reasonable rates" means rates which are not in violation of any of the provisions of this article, which fully consider and are consistent with the public good, and which will result in an operating income to the public service company, except common carriers, yielding, after reasonable deduction for depreciation and other necessary and proper expenses and reserves, a reasonable return upon the fair value of the company's property used and useful in rendering service to the public.

(b) In the exercise of its power to prescribe just and reasonable rates for common carriers, and classifications, regulations, and practices relating thereto, the Commission shall give due consideration, among other factors, to the inherent advantages of transportation by such carriers; to the need, in the public interest, of adequate and efficient transportation services by such carriers at the lowest cost consistent with the furnishing of such service; and to the need of revenues sufficient to enable such carrier, under honest, economical, and efficient management, to provide such service, and upon consideration of such matters shall establish the need for proper revenue by determination of a fair and equitable operating ratio, which is the relationship of carrier expenses to carrier operating revenues.

(c) A public service company may not charge off against its rate payers expenses for lobbying.

(d) In the exercise of its power to prescribe just and reasonable rates, the Commission may not discourage the use of employee stock ownership plans by public service companies, by denying them the full benefits of investment tax credits provided in connection with these plans by the federal Internal Revenue Code.