

THEIR RESPECTIVE DISTRIBUTION TERRITORIES, AND MAY CEASE OFFERING THAT SERVICE AFTER NOTIFYING THE COMMISSION AT LEAST 12 MONTHS IN ADVANCE; AND

(II) 1. IF THE COMMISSION FINDS THAT THE ELECTRICITY SUPPLY MARKET IS NOT COMPETITIVE OR THAT NO ACCEPTABLE COMPETITIVE PROPOSAL HAS BEEN RECEIVED TO SUPPLY ELECTRICITY TO THOSE CUSTOMERS DESCRIBED UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE COMMISSION SHALL EXTEND THE OBLIGATION TO PROVIDE STANDARD OFFER SERVICE TO RESIDENTIAL AND SMALL COMMERCIAL CUSTOMERS AT A MARKET PRICE THAT PERMITS RECOVERY OF THE VERIFIABLE, PRUDENTLY INCURRED COSTS TO PROCURE OR PRODUCE THE ELECTRICITY PLUS A REASONABLE RETURN.

2. THE COMMISSION SHALL REEXAMINE THE FINDING MADE UNDER THIS SUBPARAGRAPH AT LEAST ANNUALLY.

(4) ON OR BEFORE JULY 1, 2001, THE COMMISSION SHALL ADOPT REGULATIONS OR ISSUE ORDERS TO ESTABLISH PROCEDURES FOR THE COMPETITIVE SELECTION OF ELECTRICITY SUPPLIERS, INCLUDING AN AFFILIATE OF AN ELECTRIC COMPANY, TO PROVIDE STANDARD OFFER SERVICE TO CUSTOMERS OF ELECTRIC COMPANIES UNDER PARAGRAPH (2) OF THIS SUBSECTION, EXCEPT FOR CUSTOMERS OF ELECTRIC COOPERATIVES AND MUNICIPAL ELECTRIC UTILITIES. UNLESS DELAYED BY THE COMMISSION, THE COMPETITIVE SELECTION SHALL TAKE EFFECT NO LATER THAN JULY 1, 2003.

(5) AN ELECTRIC COMPANY MAY PROCURE THE ELECTRICITY NEEDED TO MEET ITS STANDARD OFFER SERVICE ELECTRICITY SUPPLY OBLIGATION FROM ANY ELECTRICITY SUPPLIER, INCLUDING AN AFFILIATE OF THE ELECTRIC COMPANY.

(D) NOTWITHSTANDING THE DATES SET FORTH IN THIS SECTION OR ANY OTHER LAW, CUSTOMER CHOICE MAY NOT COMMENCE UNTIL LEGISLATION IS ENACTED BY THE GENERAL ASSEMBLY TO RESTRUCTURE MARYLAND TAXES TO ADDRESS THE STATE AND LOCAL TAX IMPLICATIONS OF RESTRUCTURING THE ELECTRIC UTILITY INDUSTRY.

(E) THE COMMISSION SHALL, BY REGULATION OR ORDER, ADOPT PROCEDURES TO IMPLEMENT THIS SECTION, INCLUDING THE ALLOCATION OF ANY UNUSED OPPORTUNITY FOR CUSTOMER CHOICE AMONG CUSTOMER CLASSES.

(F) A COUNTY OR MUNICIPAL CORPORATION MAY NOT ACT AS AN AGGREGATOR UNLESS THE COMMISSION DETERMINES THERE IS NOT SUFFICIENT COMPETITION WITHIN THE BOUNDARIES OF THE COUNTY OR MUNICIPAL CORPORATION.

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(A) EXCEPT FOR ELECTRIC COOPERATIVES AND MUNICIPAL ELECTRIC UTILITIES:

(1) COMPETITIVE BILLING SHALL BEGIN ON JULY 1, 2000;