



February 22, 2023

112 West Street  
Annapolis, MD 21401

**Letter of Information – House Bill 775- Public Safety - Emergency Management - Consumer Protections Against Price Gouging**

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) respectfully submit this letter of information on House Bill 775- Public Safety - Emergency Management - Consumer Protections Against Price Gouging. House Bill 775 would prohibit a person from selling an essential good or service for more than a 10% increase in price during and a certain time after a certain state of emergency. Additionally, the legislation requires the Secretary of State to establish an electronic notification system by which a person may register to receive certain information pertaining to when a State of Emergency has been declared and what provisions are included in the declared State of Emergency.

Pepco and Delmarva Power certainly understand the concerns regarding price gauging, particularly during a time of a state of emergency. However, we request there be clarification as to whether “fuel” and “energy sources,” includes electric and gas supply. In Maryland, electric and gas commodity rates are governed by statutes, regulations and Commission orders dictating the process through which they are changed resulting in oversight from the Maryland Public Service Commission (PSC). A utility must file a rate proposal with the PSC seeking authority to change its rates. There is extensive stakeholder involvement and feedback to ensure that rates, terms, and conditions established for public service companies are just, reasonable, and transparent. The PSC then determines whether or not to approve or reject that rate proposal. In recent years, the Commission has authorized utilities to file multi-year rate plans, a forward-looking ratemaking process that provides greater transparency in how the Company invests in the system and provides predictability of future costs to customers.

Pepco and Delmarva Power respectfully request that the language be amended, if necessary to exempt regulated electric and gas utility rates from the legislation if they are in fact covered under “fuel” and “energy sources.” As previously stated, we certainly understand that House Bill 775 is well-intentioned and if the Committee is inclined to pursue this legislation, we respectfully ask to continue conversations with the bill sponsor to ensure our concerns are clarified and addressed.

If necessary, Pepco and Delmarva Power respectfully request adoption of the following amendment. On page 2, line 2, insert:

14–1301. (B) UNLESS OTHERWISE PROVIDED BY THE GOVERNOR IN A DECLARATION OF STATE OF EMERGENCY OR BY EXECUTIVE ORDER, “ESSENTIAL GOODS AND SERVICES” INCLUDES:

- (1) FOOD;
- (2) FUEL; **EXCEPT FUEL WHERE THE RATES CHARGED ARE REGULATED BY PUBLIC SERVICE COMMISSION**
- (3) WATER AND ICE;
- 4) MEDICINE;
- (5) MEDICAL SUPPLIES AND EQUIPMENT;

- (6) CLEANING PRODUCTS;
- (7) BUILDING SUPPLIES AND EQUIPMENT;
- (8) ENERGY SOURCES **EXCEPT ENERGY SOURCES WHERE THE RATES CHARGED ARE REGULATED BY PUBLIC SERVICE COMMISSION;**

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