

# HOUSE BILL 981

C5

6lr2016

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By: **Delegates A. Johnson, Behler, Bhandari, Boaf, Charkoudian, Crosby, Embry, Fraser-Hidalgo, Ivey, Lehman, J. Long, Pruski, Roberson, Rogers, and Vogel**

Introduced and read first time: February 6, 2026

Assigned to: Environment and Transportation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Investor-Owned Public Service Companies – Base Rate Proceeding – Equity**  
3 **Market Return**

4 FOR the purpose of requiring the Public Service Commission, in a base rate proceeding, to  
5 determine a certain equity market return for certain public service companies;  
6 authorizing the Commission to adjust certain rates based on the equity market  
7 return; and generally relating to public service company base rate proceedings.

8 BY adding to

9 Article – Public Utilities

10 Section 4–206.2

11 Annotated Code of Maryland

12 (2025 Replacement Volume and 2025 Supplement)

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

15 **Article – Public Utilities**

16 **4–206.2.**

17 **(A) THIS SECTION APPLIES ONLY TO A PUBLIC SERVICE COMPANY THAT IS**  
18 **AN INVESTOR-OWNED GAS COMPANY, AN INVESTOR-OWNED ELECTRIC COMPANY,**  
19 **OR A COMBINATION INVESTOR-OWNED GAS AND ELECTRIC COMPANY.**

20 **(B) (1) IN A BASE RATE PROCEEDING TO SET JUST AND REASONABLE**  
21 **RATES FOR A PUBLIC SERVICE COMPANY UNDER THIS TITLE, THE COMMISSION**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 SHALL DETERMINE THE CURRENT AVERAGE EXPECTED 10-YEAR UNITED STATES  
2 EQUITY MARKET RETURN.

3           **(2)** THE COMMISSION SHALL USE MULTIPLE OBJECTIVE SOURCES TO  
4 DETERMINE THE EQUITY MARKET RETURN UNDER PARAGRAPH (1) OF THIS  
5 SUBSECTION.

6           **(c)** THE COMMISSION MAY ADJUST RATES FOR A PUBLIC SERVICE  
7 COMPANY BASED ON THE RISKS TO THE PUBLIC SERVICE COMPANY AS COMPARED  
8 TO THE EQUITY MARKET RETURN DETERMINED UNDER SUBSECTION (b) OF THIS  
9 SECTION.

10           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
11 October 1, 2026.