C90G00

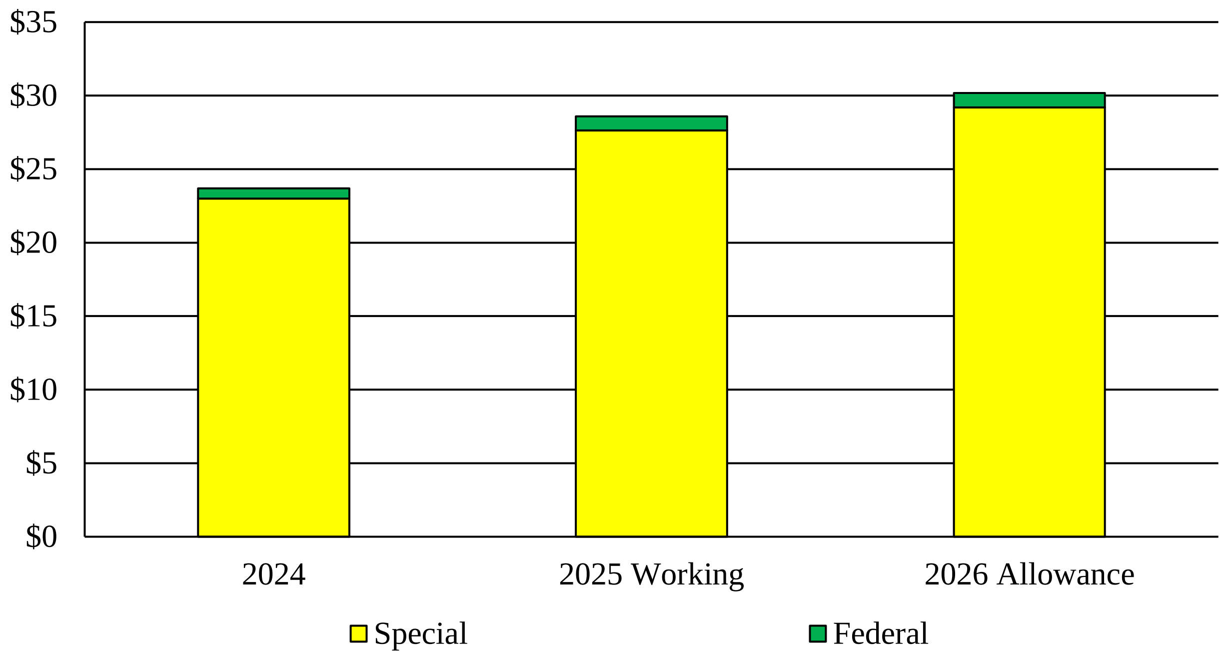
Public Service Commission

Program Description

The Public Service Commission (PSC) regulates public service companies, including electric and natural gas utilities and suppliers, certain telecommunications companies, certain privately owned water utilities, and certain passenger-for-hire transportation companies. PSC regulatory authority includes the review of matters relating to the quality and reliability of service, rate setting, applications to modify the type or scope of service, and investigation of consumer complaints. Additionally, PSC may intervene in relevant cases before federal regulatory commissions and federal courts. PSC consists of five commissioners appointed by the Governor for five-year, staggered terms. PSC is primarily funded through special funds obtained through assessments on public service company revenue.

Operating Budget Summary

Fiscal 2026 Budget Increases $1.6 Million, or 5.5%, to $30.2 Million
($ in Millions)



Note: The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency's budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency's budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency's budget.

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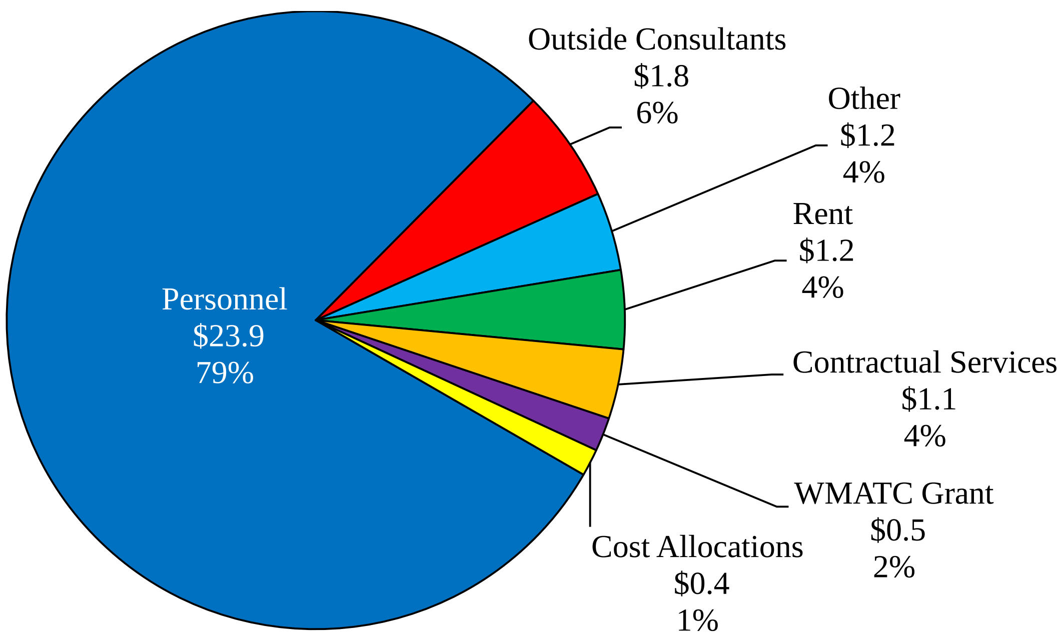
Fiscal 2026 Overview of Agency Spending

The fiscal 2026 allowance for PSC totals $30.2 million. As shown in **Exhibit 1**, personnel expenses total $23.9 million, or 79% of the budget. These funds support the agency's 175 regular positions. Outside of personnel spending, the largest single item in the fiscal 2026 allowance is $1.8 million for outside subject matter experts and technical consultants who assist technical staff and/or commissioners of PSC in cases and proceedings pending before PSC, other federal regulatory bodies, and the courts. Spending in this area can vary from year to year, depending on the volume and types of cases that are heard before the commission. The PSC budget also annually includes Maryland's costs associated with participation in the Washington Metropolitan Area Transit Commission (WMATC), an interstate compact that includes Maryland, Virginia and Washington, DC that regulates private-sector passenger carriers in the Washington metropolitan area. The funding for WMATC in fiscal 2026 is $531,176, or 2% of the budget.

Exhibit 1
Overview of Agency Spending
Fiscal 2026 Allowance
($ in Millions)



WMATC: Washington Metropolitan Area Transit Commission

Note: The fiscal 2026 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency's budget.

Source: Governor's Fiscal 2026 Budget Books

Proposed Budget Change

As shown in **Exhibit 2**, PSC's fiscal 2026 allowance increases by $1.6 million, or 5.5%, compared to the fiscal 2025 working appropriation. The largest increase is in the area of regular personnel expenditures, which increase by $2.2 million. This includes an $825,200 increase for salary increases and associated fringe benefit costs and an increase of $883,922 to support 10 new regular positions. Contractual personnel costs decrease by $449,852 due to the conversion of 9 contractual full-time equivalent (FTE) positions to regular positions.

Exhibit 2
Proposed Budget
Public Service Commission
($ in Thousands)

How Much It Grows:	**Special Fund**	**Federal Fund**	**Total**
Fiscal 2024 Actual	$22,989	$702	$23,690
Fiscal 2025 Working Appropriation	27,642	956	28,598
Fiscal 2026 Allowance	29,196	972	30,168
Fiscal 2025-2026 Amount Change	$1,554	$16	$1,570
Fiscal 2025-2026 Percent Change	5.6%	1.7%	5.5%

Where It Goes:	**Change**
Personnel Expenses	
Personnel	$1,474
10 new positions due to contractual conversions	884
Workers' compensation premium assessment	10
Turnover expectancy decreases from 5.60% to 4.73%	186
Employee and retiree health insurance	-409
Other Changes	
Software licenses	70
In- and out-of-state travel	67
Cost allocations	65
Data processing equipment to account for additional employees and ongoing project to migrate PSC network	9
Association dues including professional association fees for employees	-18
Contractor costs to implement the POWER Act of 2023	-18
Motor vehicle expenses	-20
One-time costs for new positions	-54
Consulting services	-166

Where It Goes:	**Change**
Contractual personnel expenses, reflecting the elimination of 9 full-time equivalent positions due to contractual conversions	-450
Other	-61
Total	**$1,570**

POWER: Promoting Offshore Wind Energy Resources
PSC: Public Service Commission

Note: Numbers may not sum to total due to rounding. The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency's budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency's budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency's budget.

Infrastructure Investment and Jobs Act and Inflation Reduction Act Funding

Although PSC has not been directly awarded federal funding under either the Infrastructure Investment and Jobs Act (IIJA) or the Inflation Reduction Act (IRA), competitive grant funding is available through the IIJA to Maryland's utilities for projects relating to the reliability and resiliency of the electric grid. Additional discussion of the IIJA competitive grant funding that is available to Maryland utilities can be found in Key Observation 3 of this analysis. Additional discussion of IIJA formula grant funding awarded to the Maryland Energy Administration (MEA) on behalf of the State for grid reliability and resiliency planning activities can be found in the analysis for D13A13 – MEA.

Personnel Data

	FY 24 Actual	FY 25 Working	FY 26 Allowance	FY 25-26 Change
Regular Positions	147.00	165.00	175.00	10.00
Contractual FTEs	12.00	9.00	0.00	-9.00
Total Personnel	**159.00**	**174.00**	**175.00**	**1.00**

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	7.71	4.73%
Positions and Percentage Vacant as of 12/31/24	33.00	20.00%
Vacancies Above Turnover	25.29	

- The fiscal 2026 allowance includes funding for an additional 10 regular positions. Of these positions, 9 result from the conversion of contractual FTE. However, PSC reports that all 10 new positions result from contractual conversions. The new positions are in various classifications, including 7 administrative specialists, 2 office secretaries, and 1 administrative officer.

- In addition to the 10 new regular positions funded by the fiscal 2026 allowance, 2 new regular positions (administrative specialist II and staff attorney II) were created in fiscal 2025 by the Board of Public Works, and 8 new positions were authorized by Supplemental Budget No. 2 to the fiscal 2025 budget, which included 1 human resources administrator, 1 staff attorney, 2 regulatory economists, 2 engineers, and 2 senior auditors. The positions were created to support workload and capacity issues resulting from the enactment of Chapter 537 of 2024.

- Out of the 33 total departmentwide vacancies as of December 31, 2024, 4 positions have been vacant for more than one year. An additional 17 positions reflect new positions created in fiscal 2025 that had not been filled as of that date. **PSC should comment on efforts to fill long-term vacancies and the status of recruitment for the new positions.**

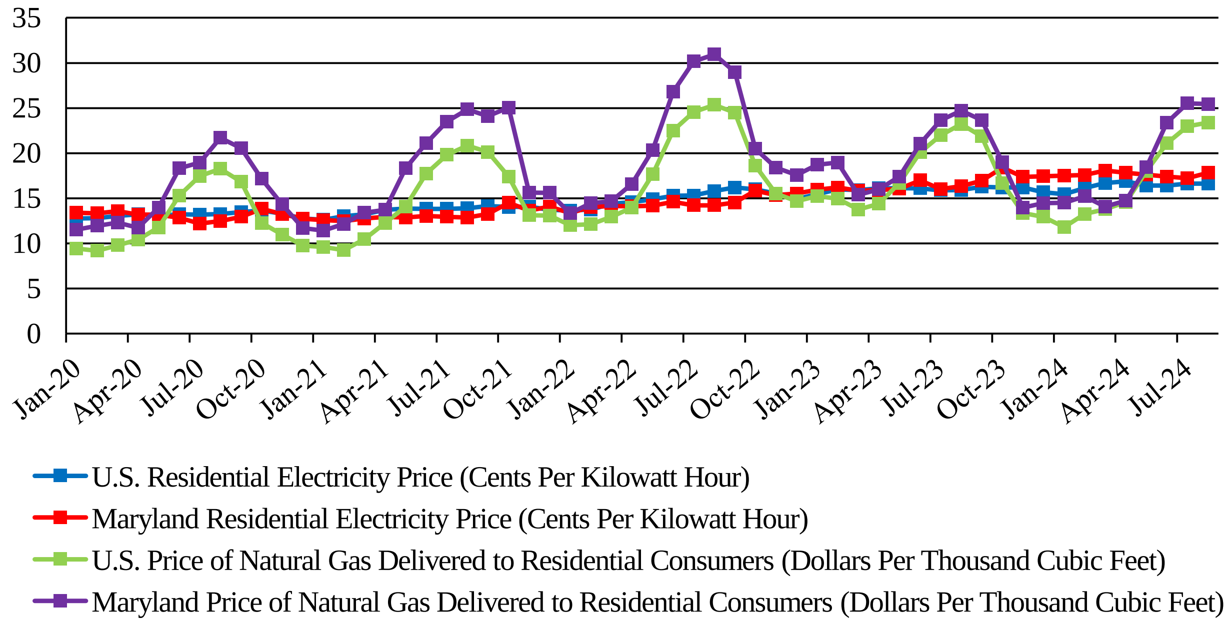
Key Observations

1. Utility Terminations Increase and Arrearages Remain Elevated

Energy Prices

Utility terminations and arrearages have been impacted in recent years by economic hardships caused by the COVID-19 pandemic and, subsequently, by rising energy costs driven by inflation in the energy sector and other impacts to energy market supply and demand. As shown in **Exhibit 3**, the residential prices for both electricity and natural gas have generally been rising over the past six calendar years. According to pricing data reported by the U.S. Energy Information Administration, in September 2024, the average price of electricity for residential customers in Maryland was 18.4 cents per kilowatt hour (kWh), which is approximately 8.4% higher than in September 2023 and 26.3% higher than in September 2022. Notably, the residential price for electricity in Maryland has grown faster than the U.S. average during calendar 2024, which was 16.8 cents per kWh in September 2024. PSC attributes the increase in utility prices to increases in supply, distribution, and transmission costs. Supply and transmission costs are based on the amount of generation available to meet the demand. Fewer generators and higher demand have contributed to the price increases. Of these three components, PSC only regulates distribution prices.

Exhibit 3
Average Residential Electricity and Natural Gas Prices
Calendar 2020-2024



Source: U.S. Energy Information Administration

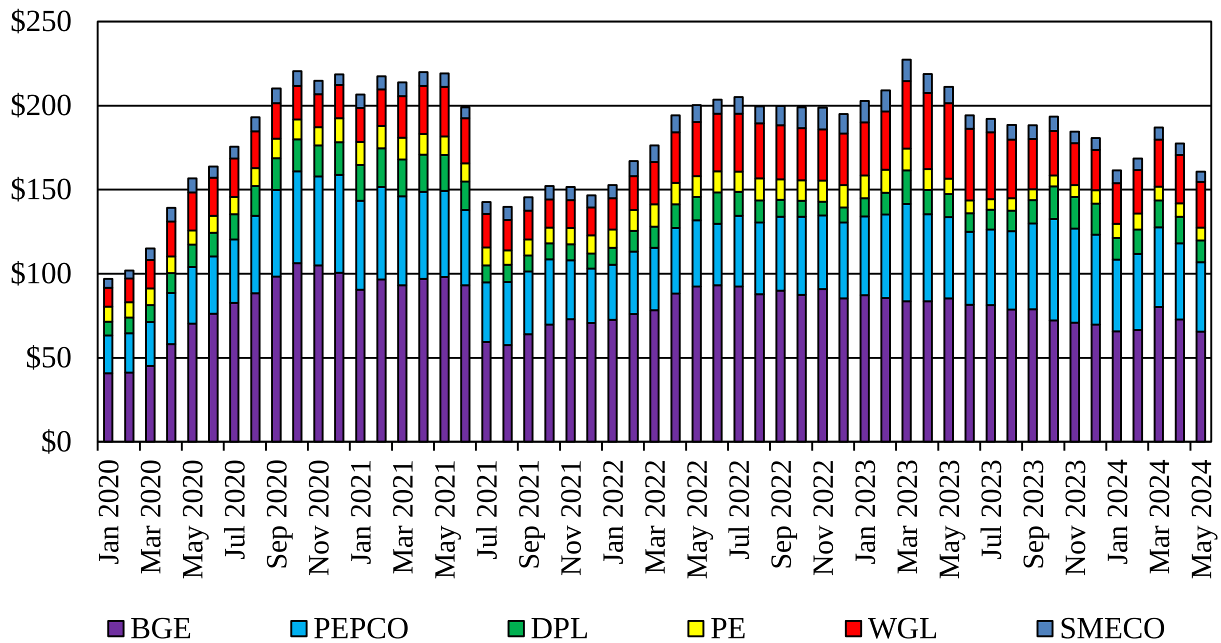
Natural gas prices are largely seasonal, with prices reaching their highest points from late summer to early fall and declining during the winter months. At its seasonal high point in July 2024, the average price of natural gas delivered to residential customers in Maryland was $25.50 per thousand cubic feet. In comparison, the seasonal high point in August 2023 for Maryland residential customers was $24.70 per thousand cubic feet. Although year-over-year residential natural gas prices in Maryland increased by approximately 3% between August 2023 and July 2024, prices in July 2024 were approximately 17.4% lower than August 2022.

Arrearages

PSC reports monthly data by utility on residential utility terminations and arrearages on its website, including data on the number of utility customers with arrearages, the total amount of outstanding arrearages, and the number of utility terminations. PSC is currently creating a new portal for the utility terminations and arrearages data, and the data has not been updated since May 2024. The inability to easily track this data is particularly concerning given the continued high utility prices specifically for electricity, prolonged cold weather, and decrease in benefits provided by the Department of Human Services Office of Home Energy Programs. **PSC should comment on when the new portal will be completed and data from the portal will be available for viewing. PSC should also comment on the changes in residential utility terminations and arrearages since May 2024. The Department of Legislative Services (DLS) recommends adopting committee narrative requesting PSC to report data on residential terminations and arrearages.**

Exhibit 4 shows the PSC reported data on the total dollar amount of outstanding arrearages for residential utility customers for select Maryland utilities. Total outstanding arrearages increased rapidly throughout calendar 2020 to a peak of approximately $220.6 million in October 2020. A utility termination moratorium in effect between March and November 2020 during the height of the COVID-19 pandemic likely contributed to the increase, as customers were not at risk of termination, and there were widespread economic disruptions. Arrearages remained elevated through the first half of calendar 2021 before decreasing during summer 2021, corresponding to the allocation of $83 million to support arrearage assistance as directed by Chapter 39 of 2021. Arrearages remained at a lower level throughout the second half of calendar 2021 before rebounding throughout calendar 2022. During calendar 2023, arrearages increased during the first months of the year to a new high of approximately $227.3 million in March 2023, nearly $6.7 million higher than the previous high point in October 2020. However, arrearages generally decreased through the remainder of calendar 2023 and into calendar 2024. May 2024 arrearages totaled approximately $160.7 million, which is the lowest level since January 2022, but still substantially elevated compared to prepandemic periods.

Exhibit 4
Total Residential Arrearages for Select Utilities
Calendar 2020-2024
($ in Millions)



BGE: Baltimore Gas and Electric Company
PEPCO: Potomac Electric Power Company
DPL: Delmarva Power and Light
SMECO: Southern Maryland Electric Cooperative, Inc.
PE: The Potomac Edison Company
WGL: Washington Gas Light

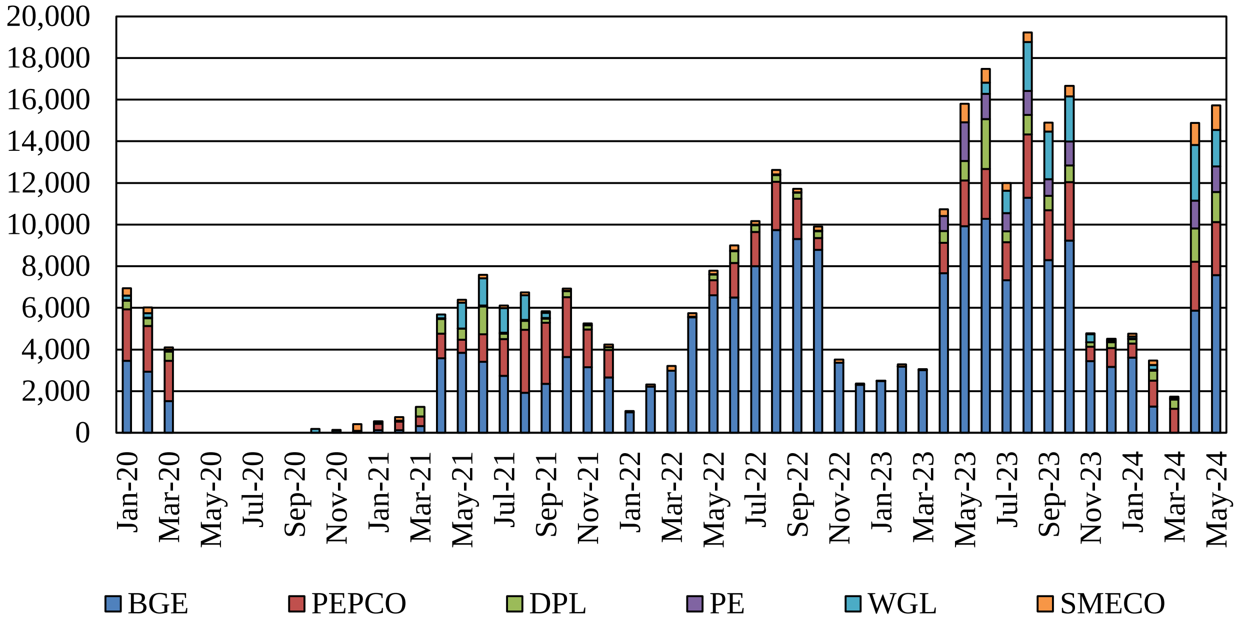
Source: Public Service Commission

Terminations

The number of monthly utility terminations for select utilities are shown in **Exhibit 5**. Due to restrictions on the circumstances in which a utility may terminate service during the winter heating season between November 1 and March 31, utility terminations follow a seasonal pattern, with the most occurring during late spring, summer, and early fall. Similar to outstanding arrearages, utility terminations were impacted by the moratorium that was in effect between March and November 2020 and by the distribution of State funding to utilities for arrearage assistance relief in summer 2021. However, during summer 2022, utility terminations began to rebound toward prepandemic levels and in summer 2023 reached levels above summer 2019. In August 2023, the largest number of utility terminations (19,228) occurred in a single month over the past five years. Comparatively, total utility terminations in August 2023 were approximately 52% higher than in August 2022 and 40% higher than in August 2019. Total utility terminations in March 2024 totaled 1,732, the lowest level since January 2022. Total utility terminations in

April 2024 totaled 14,883, an increase of 38.7% compared to the 10,734 total terminations in April 2023. However, total utility terminations in May 2024 were 0.5% lower than May 2023, a decrease from 15,805 terminations to 15,725 terminations.

Exhibit 5
Service Terminations for Select Utilities
Calendar 2020-2024



BGE: Baltimore Gas and Electric Company
DPL: Delmarva Power and Light
PE: The Potomac Edison Company
PEPCO: Potomac Electric Power Company
SMECO: Southern Maryland Electric Cooperative, Inc.
WGL: Washington Gas Light

Source: Public Service Commission

2. Complaints and Enforcement Against Third-party Energy Suppliers

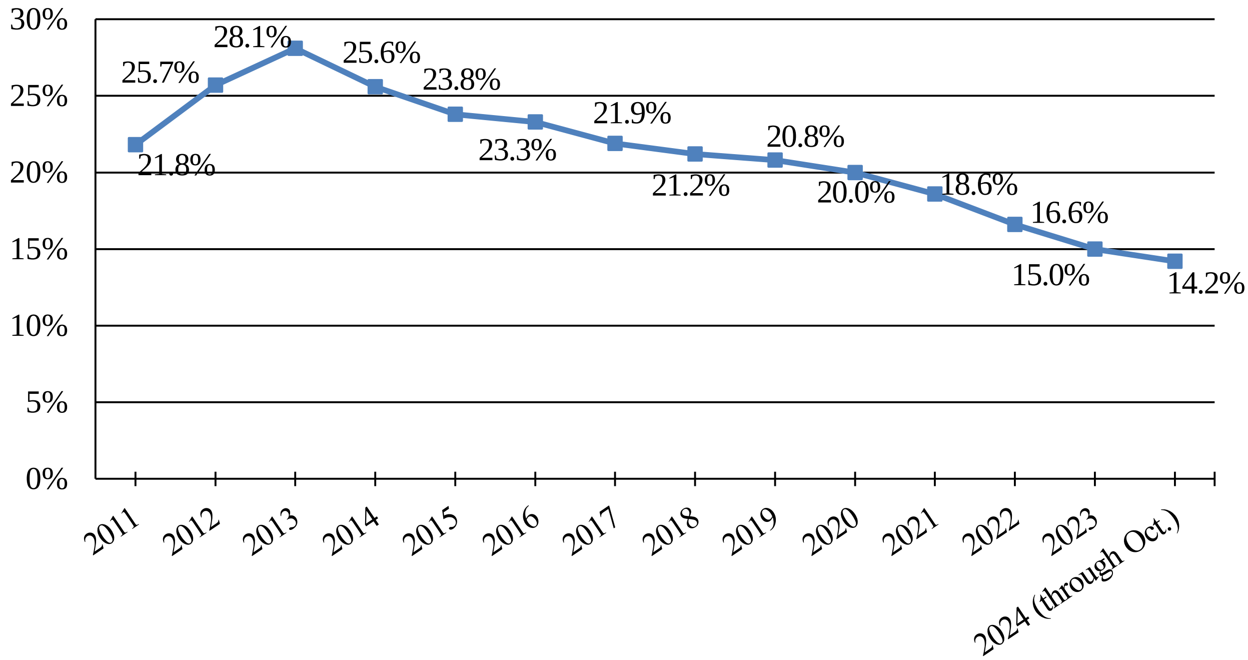
The PSC Consumer Affairs Division (CAD) is responsible for investigating and resolving complaints made by Maryland ratepayers against utilities and third-party retail energy suppliers and tracking data regarding complaints that were filed to identify potential patterns of regulatory noncompliance. Maryland utility customers may file a complaint against PSC-regulated companies through the PSC website or by mail.

CAD investigates each complaint filed with PSC and renders a decision based on the findings of its investigation. In cases in which a company demonstrates a pattern of regulatory noncompliance through the complaints investigated by CAD, a recommendation is made to initiate an enforcement action and a docketed proceeding before the commission is initiated. Suppliers that are found to be in violation of State laws and regulations are subject to enforcement measures, including assessment of civil penalties, customer re-rates, cease and desist notices, license suspensions, and/or license revocations. PSC notes that due to the right to appeal a commission decision for judicial review at the circuit and appellate court level, some enforcement proceedings may take extended time to close.

Customers Enrolled with a Third-party Retail Electric Supplier

PSC reports monthly data on its website on the number of utility customers that are enrolled with third-party retail electric suppliers, including the number of customers in each utility service territory and the percentage of accounts in each utility service territory that are served by a third-party supplier. **Exhibit 6** shows the total percentage of all eligible Maryland utility customer accounts that are enrolled with third-party retail electric suppliers as of December 31 of each calendar year. Calendar 2024 data reflects data through October 2024, the most recent month for which data is available. Supplier utilization reached its highest point in calendar 2013, when 28.1% of eligible utility customer accounts were enrolled with a supplier. Since calendar 2013, supplier enrollment has declined each year and as of October 2024 was 14.2%.

Exhibit 6
Third-party Retail Electric Supplier Enrollment
Calendar 2011-2024



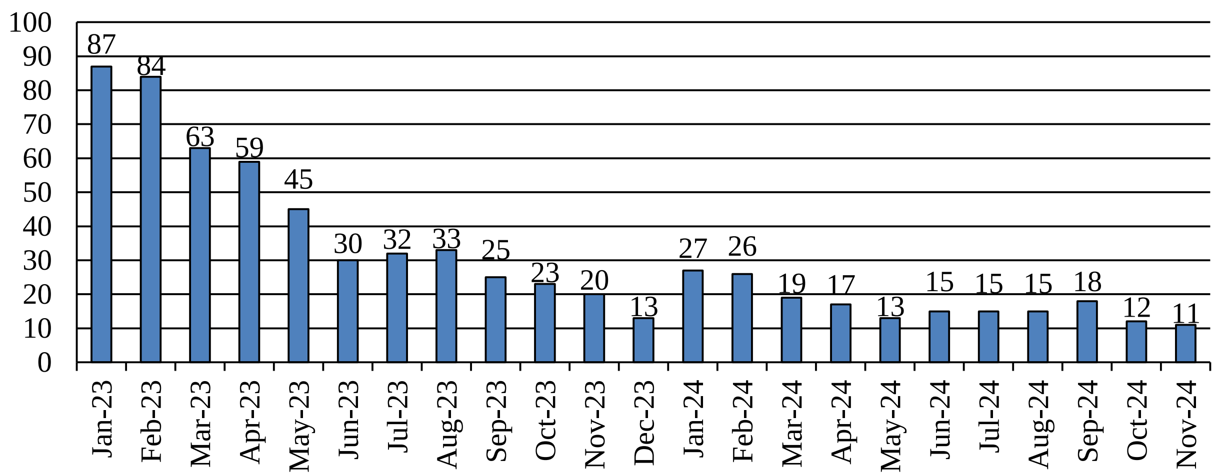
Source: Public Service Commission

CAD worked with a contractor to develop and launch a new online customer complaint portal, which launched publicly in February 2022, in addition to a new cloud-based complaint data management system. PSC has reported data on its website for complaints against third-party retail energy suppliers since December 2019 and in fiscal 2023, began posting quarterly data on complaints against utilities. Quarterly reports for complaints received by CAD against third-party suppliers are currently available for all four quarters of fiscal 2024. Quarterly reports for the first two quarters of fiscal 2025 have not been published yet. **PSC should comment on the length of time after each quarter ends before the reports are available to be published on PSC's website.**

Due to ongoing concerns related to the number of complaints against third-party retail energy suppliers for engaging in prohibited marketing practices, committee narrative in the 2024 *Joint Chairmen's Report* (JCR) requested that PSC submit an overview of enforcement actions for which it has the statutory authority to take against third-party retail energy suppliers, information and evidences regarding the effectiveness of these enforcement actions, and limitations to the effectiveness of these enforcement actions.

As shown in **Exhibit 7**, PSC reported 514 complaints filed against third-party suppliers in calendar 2023 and 188 complaints filed in calendar 2024 through November 2024. Monthly complaint totals during this time period ranged from a low of 11 in November 2024 to a high of 87 in January 2023. Due to a spike in complaints filed during January and February 2023, PSC launched its maximum enforcement initiative, a multi-division collaborative effort to place increased focus on investigating complaints and, if necessary, pursue enforcement actions.

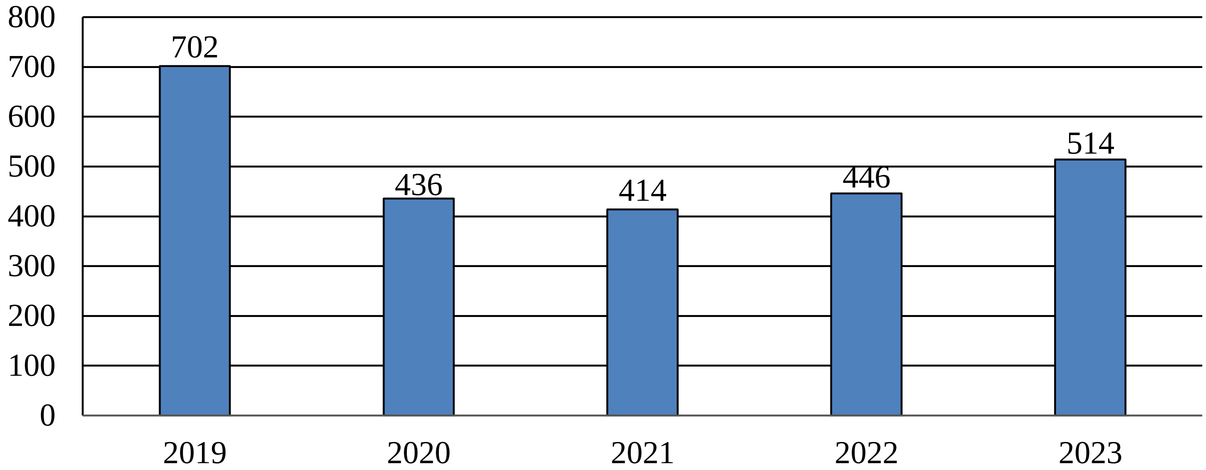
Exhibit 7
Monthly Complaints Filed Against Suppliers
January 2023 through November 2024



Source: Public Service Commission

Exhibit 8 presents the total number of complaints filed against third-party retail energy suppliers by year since calendar 2019 as reported by PSC. The total complaints in calendar 2023 was 514, an increase of 15.2% compared to fiscal 2022.

Exhibit 8
Total Annual Complaints Filed Against Suppliers
Calendar 2019-2023



Source: Public Service Commission

PSC reports that since calendar 2010, it has taken enforcement action 19 times against 16 different suppliers, including 3 suppliers with 2 enforcement actions taken against them during this time. In all currently closed cases except 1, civil penalties were assessed totaling over $2.5 million, and, in many cases, suppliers were also ordered to provide refunds to customers. The largest civil penalty of $561,000 was assessed to Smart One Energy. Enforcement actions against 4 suppliers are currently ongoing, 1 of which was initiated in calendar 2023 and 3 of which were initiated in calendar 2019. The average length of time for the cases to close was 447 days.

Changes to Third-party Supplier Regulations

Chapter 537 made changes to electricity and natural gas third-party retail supplier regulation and consumer protections. Among these changes is the establishment of energy salesperson and vendor licenses. The Act prohibits a person from engaging in the business of an energy salesperson or an energy vendor in the State unless they hold a license issued by PSC. Application procedures are currently in the process of being finalized, and PSC plans to make the applications available by July 1, 2025.

3. IIJA Competitive Grant Funding Applications Submitted by Utilities

The federal IIJA contains significant investments in the nation's utility infrastructure, including funding for projects supporting grid resiliency and reliability, electric generation and transmission, electric transportation, and improved cybersecurity protections. Programs authorized by the IIJA include a combination of formula grant funding allocated directly to the states and competitive grant programs, such as those supporting investments in electric grid infrastructure and resiliency that are available directly to Maryland utilities.

The fiscal 2026 allowance for MEA includes the second portion of Maryland's formula allocation of IIJA funds for electric grid resiliency, a $4.1 million grant under the Preventing Outages and Enhancing Resilience of the Electric Grid Grants program. MEA received $8.8 million under this program in fiscal 2025. These funds may be used to fund improvements to the utility grid that improve resiliency to strengthen the power grid against extreme weather, natural disasters, and other impacts of climate change, such as upgrades to utility transformers and power lines, the incorporation of energy storage technologies, and similar improvements.

Other IIJA funding for electric grid resiliency is available through three main competitive grant programs that are available to state entities, tribes, utilities, and industry and together make up the Grid Resilience and Innovation Partnerships (GRIP) program, administered by the U.S. Department of Energy Grid Deployment Office (GDO). The GRIP program includes $10.5 billion in total federal grants to enhance grid flexibility and improve the resilience of the power system against growing threats of extreme weather and climate change. GRIP programs include:

- ***Grid Resilience Utility and Industry Grants:*** Funding supports projects that modernize the electric grid to reduce the impacts of extreme weather, natural disasters, and other events that can cause disruptions to the power system, including transmission upgrades and distribution technology solutions.

- ***Smart Grid Grants:*** Funding supports projects that increase the flexibility, efficiency, and reliability of the electric power system, with a focus on increasing the capacity of the transmission system, preventing faults that may lead to system disturbances, integrating renewable energy at the transmission and distribution levels, and facilitating the integration of increasingly electrified buildings, vehicles, and other devices.

- ***Grid Innovation Program:*** Funding supports projects that use innovative approaches to transmission, storage, and distribution infrastructure to enhance grid resilience and reliability.

Public Conference 56 Initiated to Oversee IIJA Funding for Utilities

In June 2022, PSC initiated Public Conference (PC 56) and required that each electric and natural gas public service company subject to the jurisdiction of PSC file a monthly report containing a description of all projects for which federal IIJA funding has been sought to date. PC 56 was also initiated to serve as a forum for stakeholders and interested parties to file written comments related to potential programs or funding that was authorized under the IIJA and is available to Maryland utilities or advance the State's policy goals. While initiated to focus solely on IIJA funding opportunities, PC 56 has also included funding opportunities available through the federal IRA.

In August 2022, the first monthly filings were made by Maryland utilities as directed by PC 56. Monthly reports have been filed each month since by Potomac Electric Power Company, Delmarva Power and Light (DPL), and Baltimore Gas and Electric (BGE), collectively, as the Exelon Joint Utilities and by the Potomac Edison Company (PE) and the Southern Maryland Electric Cooperative (SMECO), individually. According to monthly reporting, all five utilities submitted concept papers and subsequently full applications to GDO for funding available through the first and second round of the GRIP program.

In November 2022, the first round of GRIP program funding was announced, with the total availability of $3.46 billion. Awards from this opportunity were announced in October 2023 supporting 58 projects across 44 states, including an award to SMECO to fund the SMECO Transmission, Distribution, and Communications Resiliency Initiative. As of September 2024, SMECO was awarded $32.49 million. The award includes a $16.75 million cost share from SMECO. As outlined by GDO, the SMECO Transmission, Distribution, and Communications Resiliency Initiative includes several projects to improve the resilience and reliability of its distribution system in order to prevent power outages caused by severe weather events. These projects include the replacement and hardening of transmission lines with new steel structures, strategic undergrounding, and the installing of high-capacity fiber optical wire for communications.

In November 2023, the second round of GRIP Program funding was announced. As of October 2024, GDO has announced about $4.2 billion through the second round of GRIP funding. DPL and SMECO were informed that their applications were not selected to receive awards under the second round of the GRIP program grants. Funding supports 46 projects in 47 states, including awards of $50 million to BGE, $50 million to FirstEnergy, of which PE is a subsidiary for projects in Maryland and West Virginia, and $100 million to Exelon Joint Utilities for projects across 6 states. BGE will utilize the fund for the Interconnection Readiness and Deployment of Storage project, which aims to modernize the electric grid to enhance grid resilience, support the integration of renewable energy, and manage new demand peaks driven by electrification. PE will utilize the funds for the Creating Reliable and Equitable Access to Energy for Customers Through the Energy Transition project, which aims to target grid and transmission upgrades. Similarly, Exelon will use the funds to advance implementation of a distributed energy resource management system. All three projects received grants under Smart Grid Grants of the GRIP program.

4. Status of Planned Offshore Wind Projects

PSC previously approved two rounds of Offshore Wind Renewable Energy Credits (OREC) in calendar 2017 and 2021 to two developers of offshore wind projects planned off the coast of Maryland and southern Delaware, U.S. Wind, Inc. and Skipjack Offshore Energy, LLC. In approving the second round of ORECs to both developers in calendar 2021, PSC noted that the proposed projects would total approximately 2,000 megawatts in combined generation capacity, which would allow the State to meet the target set in Chapter 757 of 2019 of a minimum 1,200 megawatts of offshore wind generating capacity constructed and operational by calendar 2030. Recently, Chapter 95 of 2023 increased this goal to a minimum of 8,500 megawatts of generating capacity by calendar 2031.

However, in January 2024, Orsted, a Danish renewable energy company of which Skipjack Offshore Energy, LLC is a subsidiary, announced that it would be withdrawing from its agreement with the State of Maryland to fund the Skipjack Offshore Energy, LLC projects through ORECs previously approved by PSC. They attributed this decision to a lack of financial viability of the current funding structure due to supply chain issues in the offshore wind industry, high inflation, and heightened interest rates.

In December 2024, the U.S. Wind, Inc. offshore wind project's Construction and Operations Plan (COP) was approved by the U.S. Department of the Interior Bureau of Ocean Energy Management (BOEM), which is the final stage of federal review and permitting. The approved COP includes up to 114 wind turbine generators, four offshore substations, a meteorological tower, and up to four offshore export cable corridors. Once BOEM has approved the COP for proposed projects along with accompanying authorizations by other agencies, construction is authorized and may proceed. The first phase of the project has an estimated commercial operation date of calendar 2029.

Operating Budget Recommended Actions

1. Adopt the following narrative:

Arrearage and Termination Data: Given the reduced energy assistance benefits provided by the Department of Human Services Office of Home Energy Programs, high energy prices, and prolonged cold weather in the 2024 to 2025 winter as well as the unavailability of this data currently on the Public Service Commission (PSC) website while the new portal is under development, the committees are interested in receiving data on residential utility terminations and arrearages by month. The committees request that PSC provide residential terminations and arrearages data separately by utility and month in two reports. The first report should cover data from June 2024 through May 2025 and be submitted by July 15, 2025, and the second report should cover data from June 2025 through November 2025 be submitted by December 15, 2025.

Information Request	Author	Due Date
Monthly data on residential utility terminations and arrearages	PSC	July 15, 2025 December 15, 2025

Updates

- ***Implementation of Chapter 537:*** Chapter 537 authorized PSC to impose a one-time assessment of $275,000 in fiscal 2025, which has not been imposed yet. PSC plans to impose the assessment by the end of fiscal 2025. PSC was also required to study issues related to colocated load configuration and report its findings and recommendations. Additionally, PSC was required to develop a training and educational program for any entity or individual that is licensed by PSC and provide a report. Both reports were submitted to the General Assembly in December 2024. Further discussion on implementation of Chapter 537 can be found in Key Observation 2 of this analysis.

Appendix 1
2024 *Joint Chairmen's Report* Responses from Agency

The 2024 JCR requested that PSC prepare two reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Reporting of Third-party Retail Energy Supplier Regulation and Enforcement Actions in Response to Prohibited Marketing Practices:*** A report was submitted providing information on the complaints received by PSC CAD against suppliers and effectiveness of PSC's enforcement actions. PSC reported that the multi-division maximum enforcement initiative launched in response to an influx of complaints against suppliers on February 1, 2023, has decreased supplier complaints by 85% compared to the first month of that calendar year to the last. The report also provided update on the status of open enforcement actions. Further discussion on this can be found in Key Observation 2 of this analysis.

- ***Utility Termination Restrictions during the Winter Heating Season and Extreme Temperatures:*** PSC submitted a report including information on initiation of Rulemaking 86 (RM 86), which seeks to address issues related to termination procedures, emergency authorities, payment plans, and protections during both winter and summer extreme weather periods. PSC reported that with RM 86, PSC is exercising its authority to strengthen protections by amending regulations regarding utility termination restrictions, specifically those that are in place during winter and summer extreme weather periods.

Appendix 2
Object/Fund Difference Report
Public Service Commission

Object/Fund	FY 24 Actual	FY 25 Working Appropriation	FY 26 Allowance	FY 25 - FY 26 Amount Change	Percent Change
Positions					
01 Regular	147.00	165.00	175.00	10.00	6.1%
02 Contractual	12.00	9.00	0.00	-9.00	-100.0%
Total Positions	**159.00**	**174.00**	**175.00**	**1.00**	**0.6%**
Objects					
01 Salaries and Wages	$ 20,136,621	$ 21,716,988	$ 23,861,632	$ 2,144,644	9.9%
02 Technical and Special Fees	248,551	449,852	0	-449,852	-100.0%
03 Communication	43,787	71,979	45,680	-26,299	-36.5%
04 Travel	122,058	153,537	220,582	67,045	43.7%
07 Motor Vehicles	234,586	311,538	291,671	-19,867	-6.4%
08 Contractual Services	1,092,561	3,758,341	3,654,278	-104,063	-2.8%
09 Supplies and Materials	55,601	91,912	88,507	-3,405	-3.7%
10 Equipment – Replacement	4,712	99,327	65,767	-33,560	-33.8%
11 Equipment – Additional	33,041	20,119	63,100	42,981	213.6%
12 Grants, Subsidies, and Contributions	304,445	531,176	531,176	0	0%
13 Fixed Charges	1,414,354	1,393,039	1,345,118	-47,921	-3.4%
Total Objects	**$ 23,690,317**	**$ 28,597,808**	**$ 30,167,511**	**$ 1,569,703**	**5.5%**
Funds					
03 Special Fund	$ 22,988,755	$ 27,641,946	$ 29,195,868	$ 1,553,922	5.6%
05 Federal Fund	701,562	955,862	971,643	15,781	1.7%
Total Funds	**$ 23,690,317**	**$ 28,597,808**	**$ 30,167,511**	**$ 1,569,703**	**5.5%**

Note: The fiscal 2026 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.