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February 11, 2020

To: The Honorable Delores G. Kelley
Chair, Finance Committee

From: Karen S. Straughn
Consumer Protection Division

Re: Senate Bill 686 – Residential Electricity and Gas Supply Billing Information - Reports
(SUPPORT)

The Consumer Protection Division of the Office of the Attorney General submits the following written testimony in support of Senate Bill 686 submitted by Senator Mary Washington. This bill mandates that residential gas companies, electric companies and third party suppliers report billing information on their supply to low income and non-low income customers.

The purpose of these monthly reports is to permit analysis of the costs and savings, if any, by each third party supplier. By doing so, the impact of deregulation can be studied and evaluated for its effectiveness by supplier. The Division has received complaints from consumers who were promised that retail energy suppliers would be able to lower their rates but that their rates actually turned out to be higher than Standard Offer Service.

In addition, studies by the Maryland Office of People's Counsel suggest that low income consumers pay approximately **\$54.9 million** more for electricity and gas through third party suppliers than if they had purchased energy from their utility default service. The reports required by SB 686 will help consumers determine which suppliers are charging more and will help them make more informed choices.

Moreover, the bill requires an overview report to be completed by the Public Service Commission and published on its website. Consumers will then be able to review the results and determine the potential savings or added expenses, if any, by each supplier.

For these reasons, we ask that the Finance Committee return a favorable report on this bill.

cc: The Honorable Mary Washington
Members, Finance Committee

