

JASON M. STANEK
CHAIRMAN

MICHAEL T. RICHARD
ANTHONY J. O'DONNELL
ODOGWU OBI LINTON
MINDY L. HERMAN



PUBLIC SERVICE COMMISSION

Statutory Deadlines for Processing Utility Rate Cases in the U.S.

- When a utility files an application for new rates, the rate change goes into effect **automatically** unless the Maryland Public Service Commission suspends those rates for a statutorily limited period. The suspension period allows the Commission to oversee a rate case in which multiple parties investigate, conduct discovery, introduce evidence, challenge other parties, and ultimately the Commission determines how much of the requested change is justified.
- In 2020-21, the Commission processed the State's first two electric and gas utility multi-year rate cases. Both cases were extremely challenging to process in the existing timeframe because of the multi-year nature of the requests and many novel issues for parties to analyze. In the future, these cases will be even more complex as the Commission will need to consider both the prudence of the utility's actions in the prior multi-year period and the proposed spending for the next three years. Additional time to verify and review information will improve multi-year rate case quality and content.
- Maryland's current timeframe for a utility rate case is **six** months.
 - 78% of states have a **longer** timeline for multi-year rate plans (Colorado is the *only* state utilizing a multi-year plan with a shorter suspension period).
 - Eleven states utilizing multi-year rate plans have **longer** suspension periods for rate cases.
- If HB 228 becomes law, the deadline for the Commission to process an application for a *multi-year* rate plan will be extended by three months (for a total of **nine** months).
 - 42% of states would *still* have a **longer** timeline than Maryland for *all* types of rate cases.
 - Only **two** states would have a shorter timeline than Maryland for multi-year rate plans.
 - Maryland's timeline for historic test year cases will remain *unchanged*.

- The table below identifies states that are currently implementing multi-year rate plans.
 - A majority of states that use multi-year rate plans have longer suspension periods than the proposed nine months in HB 228.

States Using Multi-Year Rate Plans		
3-6 Months	7-10 Months	11-14+ Months
Colorado (3)	Florida (8-12)	New York (11)
Maryland (<i>Current: 6</i>)	Maryland (<i>Proposed: 9</i>)	New Hampshire (12)
Connecticut (6)	Massachusetts (9)	District of Columbia (No Deadline)
	Ohio (9)	
	Pennsylvania (9)	
	Hawaii (9-12)	
	Washington (10)	
	Iowa (10-12)	
	California (10-15)	