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SB 756: Electric Companies, Gas Companies, Gas and Electric Companies, and Water Companies – Periodic Audits

Committee: Senate Education, Energy and the Environment

Position: Opposed

Southern Maryland Electric Cooperative (SMECO), a member-owned electric cooperative and not-for-profit organization based in Hughesville that provides electricity to more than 175,000 member accounts in Charles, St. Mary's, Calvert and southern Prince George's County, opposes SB 756. The bill would require each electric company, gas company, gas and electric company, and water company in the state to submit an audit of utility operations, customer usage, and customer billing to the Public Service Commission (PSC) every 3 months beginning December 31, 2026.

PSC Authority and Existing Processes

The PSC already possesses the authority to require this information from utility companies whenever necessary. Each time a utility company seeks a rate change, comprehensive data responses are provided, including all relevant information regarding customer rate changes, usage patterns, and billing practices. This existing process ensures that the PSC, the Office of People's Counsel (OPC), and other stakeholders have access to critical information for thorough review and analysis.

Redundant and Resource-Intensive Requirements

Implementing mandatory periodic audits every three years will place an additional burden on utility companies, requiring significant employee time and resources. Given the detailed information already provided during rate change proceedings, this bill introduces redundancy without adding substantial value. As utility companies face

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increasing demands and limited resources, this requirement will divert attention and effort from other essential operations and customer service initiatives.

Efficiency and Practicality Concerns

The proposed periodic audits will require substantial administrative effort, including data compilation, analysis, and reporting. Given that the PSC and other parties involved in rate change reviews already obtain and analyze this information, adding a separate audit requirement every three years is both inefficient and impractical. It will strain our workforce and reduce our capacity to focus on continuous improvement and customer satisfaction.

In conclusion, while we recognize the importance of transparency and accountability in utility operations, Senate Bill 756 imposes unnecessary and redundant requirements on utility companies. The existing regulatory framework and processes adequately address the need for detailed information and oversight. Mandating periodic audits every three years will divert valuable resources, hinder efficiency, and offer minimal additional benefit.

We respectfully urge the committee to oppose Senate Bill 756 and consider more efficient approaches to achieving regulatory goals without imposing unnecessary burdens on utility companies.

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