



THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

**Testimony in Support of SB 756 - Electric Companies, Gas Companies, Gas and Electric Companies, and Water Companies - Periodic Audits**

SB 756 aims to mandate electric companies, gas companies, gas and electric companies, and water companies in the State to submit an audit to the Public Service Commission every three years; requiring the Commission to post the audits on its website; and generally relating to audits of public service companies.

These audits will provide critical insights into customer rate changes, usage patterns, billing practices, and other relevant information, ensuring that utility services remain fair, efficient, and accessible to all Maryland residents. Utility billing errors, rate discrepancies, and inefficiencies remain prevalent issues in the utility sector. According to industry studies, utility audits can uncover overcharges and inefficiencies that often go unnoticed, ultimately saving consumers and businesses significant amounts of money. Senate Bill 756 builds upon existing regulatory frameworks by mandating regular audits and making the results publicly available on the PSC's website.

The required audit must include the following information:

1. **Customer Rate Increases or Decreases:** A comprehensive breakdown of rate changes and their impact on consumers.
2. **Analysis of Rate Adjustments:** A detailed assessment of the factors leading to any rate increases or decreases.
3. **Customer Usage Patterns:** An overview of consumption trends and their implications for utility demand.
4. **Billing Increases or Decreases:** A review of changes in customer billing amounts over time.
5. **Billing Practices and Policies:** An explanation of any modifications to billing policies and adjustments made.

The implementation of these audits will provide numerous benefits to Maryland consumers and businesses, including:

- **Enhanced Consumer Trust:** Increased transparency in billing and rate adjustments fosters public confidence in utility providers.
- **Cost Savings for Consumers:** Identifying billing discrepancies allows customers to recover overcharges and avoid unnecessary expenses.
- **Operational Efficiency:** Audits help utility companies streamline operations, improve service reliability, and enhance energy efficiency.
- **Regulatory Compliance:** Ensures that utilities adhere to Maryland's public service laws and consumer protection regulations.

Other states, such as Pennsylvania, New York, Rhode Island, and Maine have successfully implemented similar auditing requirements. Maryland can build upon national best practices to enhance the effectiveness of its utility regulatory framework. Moreover, making these audits publicly available ensures equitable access to accurate billing information.

Senate Bill 756 represents a necessary step toward ensuring transparency, fairness, and efficiency in Maryland's utility sector. By mandating regular audits and public disclosure of findings, this legislation will empower consumers and promote sustainable utility management.

For these reasons, I respectfully urge a favourable report on Senate Bill 756.