

**UNFAVORABLE – Senate Bill 756
Electric Companies, Gas Companies, Gas and Electric Companies, and Water
Companies – Periodic Audits
Senate Education, Energy and the Environment Committee**

Columbia Gas of Maryland, Inc. (Columbia) opposes Senate Bill 756. The legislation requires electric companies, gas companies, gas and electric companies and water companies in the state to submit to Public Service Commission (PSC) audits every three years.

Columbia is concerned the new mandatory 3-year audits will just increase costs on customer bills without any meaningful benefit to customers. The electric, gas and water companies (public service companies) will have new and additional costs related to these new mandatory audits. Those costs may ultimately get passed on to customers.

As the members of the Committee know, rate cases and the rate case process are the formal proceedings before the PSC that consider evidence, sworn testimony and legal arguments to set new or revised public service company rates based on a case record.

Rate cases are significant and thorough reviews by the PSC for any proposed rate change by a public service company and rate case documents and materials are available for public review.

In addition, as noted in the Fiscal and Policy Note for Senate Bill 756, “With limited exceptions, a public service company must file an annual report with PSC for the preceding calendar, along with special reports, information, contracts, records, and copies as required by PSC. PSC may require that the documents be filed under oath.” The annual reports contain significant information from the public service companies and are publicly available online on the PSC’s website. Customers or members of the General Assembly may view these annual reports at any time.

Creating a new mandatory audit program that may be redundant in the information it provides to the public and may increase costs to utility ratepayers is concerning. Consequently, Columbia cannot support Senate Bill 756 as appropriately crafted policy and therefore urges an unfavorable report.

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