

HOUSE BILL 540

C5

6lr1739

By: **Delegates Lehman, Charkoudian, Embry, Fennell, Hill, Palakovich Carr,
Phillips, Ruth, Terrasa, White Holland, Woods, and Ziegler**

Introduced and read first time: January 27, 2026

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Investor-Owned Electric, Gas, and Gas and Electric Companies – Utility Rate**
3 **Changes**
4 **(Public Service Company Transparency Act)**

5 FOR the purpose of prohibiting certain electric, gas, and gas and electric companies from
6 initiating a proceeding that may lead to a rate change unless the company provides
7 customers with a certain notice; requiring certain electric, gas, and gas and electric
8 companies to include a certain statement in each customer bill and automatic
9 payment e-mail and distribute a certain annual rate report in a certain manner;
10 requiring the Public Service Commission, in consultation with the Office of People's
11 Counsel, to develop and publish an annual rate trend report for certain electric, gas,
12 and gas and electric companies operating in the State; requiring the Office of People's
13 Counsel to take certain actions under certain circumstances; and generally relating
14 to electric, gas, and gas and electric company rate changes.

15 BY adding to
16 Article – Public Utilities
17 Section 4–203.1
18 Annotated Code of Maryland
19 (2025 Replacement Volume and 2025 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
21 That the Laws of Maryland read as follows:

22 **Article – Public Utilities**

23 **4–203.1.**

2 REPRINT OF HOUSE BILL 540 as amended by HB0540/323926/1 02/09/26 at 4:47 PM

1 (A) (1) THIS SECTION APPLIES ONLY TO A PUBLIC SERVICE COMPANY
2 THAT IS AN INVESTOR-OWNED ELECTRIC COMPANY, A GAS COMPANY, OR A
3 COMBINATION GAS AND ELECTRIC COMPANY.

4 (2) THIS SECTION DOES NOT APPLY TO A MUNICIPAL ELECTRIC
5 UTILITY OR AN ELECTRIC COOPERATIVE.

6 (B) IN ADDITION TO THE REQUIREMENTS SET FORTH IN § 4-203 OF THIS
7 SUBTITLE, ~~UNLESS OTHERWISE ORDERED BY THE COMMISSION,~~ A PUBLIC SERVICE
8 COMPANY MAY NOT INITIATE A PROCEEDING THAT MAY LEAD TO A RATE CHANGE
9 UNLESS THE PUBLIC SERVICE COMPANY:

10 (1) NOTIFIES CUSTOMERS, THROUGH A BILL INSERT OR SEPARATE
11 ~~E-MAIL;~~ E-MAIL AND IN A FORM AND MANNER APPROVED BY THE COMMISSION:

12 (I) THAT THE PUBLIC SERVICE COMPANY IS INITIATING A
13 PROCEEDING THAT MAY LEAD TO A RATE CHANGE; AND

14 ~~(II) OF THE RELEVANT PROCEDURAL DATES; AND~~

15 ~~(III) (II) WHERE TO FIND INFORMATION REGARDING THE RATE~~
16 ~~CHANGE THAT INFORMATION ABOUT THE PROCEEDING IS OR WILL BE AVAILABLE~~ ON THE COMMISSION'S
WEBSITE; AND

(2) INCLUDES IN THE BILL INSERT OR SEPARATE E-MAIL REQUIRED UNDER ITEM
(1) OF THIS SUBSECTION THE PORTION OF THE ANNUAL RATE REPORT PUBLISHED UNDER
SUBSECTION (D) OF THIS SECTION THAT PERTAINS TO THE PUBLIC SERVICE COMPANY
INITIATING THE PROCEEDING.

17 ~~(2) PREPARES AND PUBLISHES A 10-YEAR RATE TREND REPORT~~
18 ~~THAT:~~

19 ~~(I) INCLUDES A VISUAL GRAPHIC DEPICTING THE 10-YEAR~~
20 ~~RATE CHANGE TREND, INCLUDING AN INDICATION OF THE EFFECTIVE DATE OF THE~~
21 ~~RATE CHANGE AND INCREMENT BY WHICH THE RATE CHANGED;~~

22 ~~(II) IDENTIFIES COSTS ASSOCIATED WITH TRANSMISSION,~~
23 ~~DISTRIBUTION, AND STANDARD-OFFER OR COMMODITY SERVICE; AND~~

24 ~~(III) ACCOUNTS FOR ALL CUSTOMER BILL-LINE ITEMS,~~
25 ~~INCLUDING RATE RIDERS.~~

26 (C) A PUBLIC SERVICE COMPANY SHALL INCLUDE IN EACH RETAIL
27 CUSTOMER'S BILL AND AUTOMATIC PAYMENT E-MAIL THE FOLLOWING STATEMENT:

28 "THE MARYLAND GENERAL ASSEMBLY ESTABLISHED THE PUBLIC SERVICE
29 COMMISSION TO REGULATE PUBLIC SERVICE COMPANIES DOING BUSINESS IN
30 MARYLAND. ~~TODAY, THE COMMISSION SUPERVISES AND REGULATES THE~~
31 ~~ACTIVITIES OF PRIVATELY OWNED PUBLIC SERVICE COMPANIES, INCLUDING GAS~~

3 REPRINT OF HOUSE BILL 540 as amended by HB0540/323926/1 02/09/26 at 4:47 PM

1 ~~AND ELECTRIC COMPANIES~~, TO ENSURE THEIR ACTIVITIES ARE CONSISTENT WITH
 2 THE PUBLIC INTEREST. FOR INFORMATION ON HOW TO PARTICIPATE IN OR
 3 OBSERVE A PROCEEDING BEFORE THE PUBLIC SERVICE COMMISSION, PLEASE
 4 VISIT THE PUBLIC SERVICE COMMISSION'S WEBSITE.”.

5 (D) (1) ON OR BEFORE JANUARY 1, 2028, AND EACH JANUARY 1
 6 THEREAFTER, THE COMMISSION, IN CONSULTATION WITH THE OFFICE OF
 7 PEOPLE'S COUNSEL, SHALL DEVELOP AND PUBLISH ON ITS WEBSITE AN ANNUAL
 8 RATE REPORT FOR EACH PUBLIC SERVICE COMPANY OPERATING IN THE STATE.

9 (2) THE ANNUAL RATE REPORT SHALL EXPLAIN, IN NONTECHNICAL
 10 TERMS, THE OBSERVED RATE TRENDS FOR EACH PUBLIC SERVICE COMPANY, INCLUDING:

(I) A VISUAL GRAPHIC DEPICTING THE 10-YEAR RATE CHANGE TREND BY
YEAR;

(II) IDENTIFYING COSTS ASSOCIATED WITH TRANSMISSION,
DISTRIBUTION, AND STANDARD-OFFER OR COMMODITY SERVICE; AND

(III) ACCOUNTING FOR ALL CUSTOMER BILL LINE ITEMS, INCLUDING RATE RIDERS.

11 ~~(3) THE COMMISSION SHALL USE INFORMATION PROVIDED BY A~~
 12 ~~PUBLIC SERVICE COMPANY IN A RATE TREND REPORT SUBMITTED UNDER~~
 13 ~~SUBSECTION (B) OF THIS SECTION TO DEVELOP THE ANNUAL RATE REPORT.~~

14 ~~(4)~~ (3) EACH YEAR, A PUBLIC SERVICE COMPANY SHALL:

15 (i) DISTRIBUTE TO EACH RETAIL CUSTOMER A BILL INSERT
 16 THAT INCLUDES THE PUBLIC SERVICE COMPANY'S ANNUAL RATE REPORT
 17 DEVELOPED UNDER ~~SUBSECTION (B) OF THIS SECTION~~; AND

18 (ii) POST THE ANNUAL RATE REPORT ON THE PUBLIC SERVICE
 19 COMPANY'S WEBSITE.

20 ~~(5)~~ (4) THE OFFICE OF PEOPLE'S COUNSEL SHALL BRING A CASE TO THE
 21 COMMISSION IF THE OFFICE DETERMINES THAT AN ANNUAL RATE REPORT
 22 PUBLISHED BY THE COMMISSION INCLUDES INCORRECT OR MISLEADING
 23 INFORMATION.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 25 October 1, 2026.