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Richard Keith Kaplowitz  
Frederick, MD 21703

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**TESTIMONY ON SB#/0002- POSITION: FAVORABLE**

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**Investor-Owned Electric, Gas, and Gas and Electric Companies - Cost Recovery –  
Limitations**

**TO:** Chair Feldman, Vice Chair Kagan, and members of the Education, Energy and the Environment Committee

**FROM:** Richard Keith Kaplowitz

**My name is Richard Keith Kaplowitz. I am a resident of District 3, Frederick County. I am submitting this testimony in support of SB#/0002, Investor-Owned Electric, Gas, and Gas and Electric Companies - Cost Recovery – Limitations**

This bill has a simple purpose, to prevent utilities from using excess profits earned by increasing costs to consumers to pay exorbitant salaries and bonuses to executives and other employees in their corporation.

The Energy and Policy Institute reported *As Customers Struggled, Utility CEOs' Pay Spiked Last Year*<sup>1</sup>

While many Americans saw their energy bills go up substantially in the past year, investor-owned electric and gas utilities and the country's largest publicly owned utility paid their CEOs over \$647 million in 2023, an increase of 9 percent over 2022, an analysis by the Energy and Policy Institute has found.

The CEOs for the 57 companies and the federally-run Tennessee Valley Authority reviewed for this analysis received more than [\\$3 billion](#) in total between 2019 and 2023. During this time, the same utilities [disconnected millions](#) of customers for being unable to pay their monthly bills.

The bill will mandate this change in the greed of the utility companies by prohibiting certain public service companies from recovering through rates any costs associated with paying certain employees a bonus unless the employee has a written contract executed by December 31, 2025, or the employee is covered by a valid collective bargaining agreement; prohibiting a certain public service company from recovering through rates any costs associated with a supervisor's annual compensation once the compensation exceeds a certain amount; etc.

Maryland can and should protect its residents from utility unaffordability and rates used to reward bonuses and compensation not tied to the purpose of the utility in service to the public.

**I respectfully urge this committee to return a favorable report on SB#/0002.**

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<sup>1</sup> <https://energyandpolicy.org/as-customers-struggled-utility-ceos-pay-spiked-last-year/>