

Runkle American Water HB 1164 Senate Testimony.pdf

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Position: FAV



March 27, 2026

The Honorable Brian J. Feldman
2 West Miller Senate Office Building
Annapolis, Maryland 21401

Chair Feldman and Members of the Senate Education, Energy and the Environment Committee,

Maryland American Water strongly supports **HB 1164**. Our company has served Maryland homes and businesses with safe, clean, reliable and affordable drinking water since the early 1930s. Over the last decade, we have invested approximately \$42 million to upgrade and replace drinking water infrastructure in Maryland. Today, we serve approximately 24,000 people in Harford and Anne Arundel counties, and our footprint will nearly double later this year with our acquisition of Maryland Water Service, which provides water and wastewater service in parts of Harford, Anne Arundel and Allegany counties.

All stakeholders benefit from a financially stable utility providing safe, reliable, and affordable service to its customers, and we believe it is in the public interest to design rates that make water and wastewater service affordable for as many customers as possible. In current state code, Maryland's electric and natural gas utilities have the ability to provide limited income mechanisms to their customers. This legislation extends this ability to water and wastewater utilities. In addition, many of Maryland American Water's affiliates in other states provide some form of limited income mechanism, including in the neighboring states of West Virginia and Pennsylvania. Maryland's water and wastewater utilities should have the ability to make similar low-income mechanisms available to Maryland residents as well.

We also look forward to continued discussions around rate consolidation, which was proposed in the original version of the bill but removed in committee in the House. Consolidating the rates of all customers of a utility, rather than establishing separate rates for different districts, is another very important tool in improving affordability. Rate consolidation creates benefits for all customers in the long run by spreading infrastructure investment over the total customer base, which in turn results in long-term rate stability.

We urge passage of HB 1164 to promote affordability of water and wastewater services to Marylanders and look forward to continued discussion on policies that encourage much-needed investment in critical utility infrastructure while maintaining affordable rates.

Sincerely,

Laura E. Runkle

Laura E. Runkle
President, Maryland American Water

Senate HB1164_FAV_Foley.pdf

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LINDA FOLEY
Legislative District 15
Montgomery County

Environment and Transportation
Committee

Chair, Non-Energy Utilities
Subcommittee



The Maryland House of Delegates
6 Bladen Street, Room 220
Annapolis, Maryland 21401
410-841-3052
800-492-7122 Ext. 3052
Linda.Foley@house.maryland.gov

THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Testimony: HB 1164 - Water Companies, Sewage Disposal Companies, and Water and Sewage Disposal Companies - Limited-Income Mechanisms

Committee: Education, Energy, and the Environment Committee

Hearing Date: March 31, 2026

Position: Favorable

Good afternoon Chair Feldman, Vice Chair Kagan, and members of the Education, Energy, and Environment Committee. For the record, I am Delegate Linda Foley and am presenting HB 1164 - Water Companies, Sewage Disposal Companies, and Water and Sewage Disposal Companies - Limited-Income Mechanisms.

HB 1164 passed the House on a bipartisan vote of 127-6.

In 2021, the legislature directed the PSC to adopt limited-income assistance mechanisms for electric and gas utilities.¹ Today, I am asking you to bring the same relief to Marylanders struggling with the rising cost of water and sewer.

HB 1164 directs the PSC to explore ways to implement a similar program for ratepayers of private water utilities.

For low-income households, rising utility costs can cause particular financial distress and crisis. In the US, monthly water and sewer bills represent a disproportionate financial burden for low income households, as high as 40% of total earnings for those at 75% of the poverty level.²

We see this crisis acutely in Western Maryland, specifically in four communities: Glenn Oaks, Bel Air, Pinto, and Highlandtown Estates communities. Ratepayers in those communities are paying exorbitant prices for their water. For example, one customer with a usual water bill was charged nearly \$300 for about 4,300 gallons.³ Comparatively, in other areas of Maryland, 4,000 gallons would cost anywhere from \$45-\$100.

HB 1164 officially requires the PSC to investigate whether private water companies can create assistance programs for low-income households. It outlines clear conditions for limited-income mechanisms and defines the PSC's role in determining when these programs are appropriate.

¹ <https://mgaleg.maryland.gov/2021RS/bills/hb/hb0606E.pdf>

² [LIHWAP Water Utility Affordability Survey Report](#)

³ [Water: 'A Luxury We Can't Afford'](#) low-incomeRatepayers

This bill mandates a PSC study to evaluate the feasibility of requiring these mechanisms across all water and sewage companies under its jurisdiction. The report to the governor, due in December 2026, will provide a roadmap for long-term affordability for financing and accessing the program.

I also ask the committee to adopt the technical amendment to edit a small drafting error that has been submitted.

HB 1164 could help make water and sewer utilities more affordable for Marylanders. I ask you for a favorable report with the amendment, thank you.

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KUMAR P. BARVE
CHAIR



FREDERICK H. HOOVER, JR.
BONNIE A. SUCHMAN
ODOGWU OBI LINTON
RYAN C. MCLEAN

PUBLIC SERVICE COMMISSION

Chair Brian Feldman
Education, Energy, and the Environment Committee
2 West Miller Senate Office Building
Annapolis, MD 21401

RE: HB 1164 - Favorable with Amendment – Water Companies, Sewage Disposal Companies, and Water and Sewage Disposal Companies - Limited-Income Mechanisms

Dear Chair Feldman and Committee Members:

The Public Service Commission (the “Commission”) requests a favorable report on HB 1164 with consideration of the technical amendments detailed below. The Commission supports the legislation’s goal of exploring whether a limited-income mechanism can feasibly be used for customers of water and sewage companies to ease the burden of high water bills for low income customers. The Commission has been working with the House Sponsor of this bill to ensure it can be implemented effectively, and the technical amendments outlined below are the result of these continuing conversations.

The Commission has noted that the current limited-income mechanism design and process that was recently approved by the Commission for electric and gas companies¹ may not be implementable by water utilities because the mechanism relies on a relatively large customer base to alleviate the effects of bill cross-subsidization. HB 1164’s prescribed feasibility study for a limited-income mechanism specific to water utilities will give the Commission the opportunity to evaluate potential formulations that could work for those companies.

As currently drafted, the bill’s proposed amendments to the low-income mechanism statute may inadvertently conflict with the purpose of the feasibility study. The bill adds water and sewage companies to the definition of a “utility company,” which would likely require those companies to use the limited-income mechanism approved for electric and gas companies. In order to avoid this potential conflict, the Commission recommends removing water and sewage companies from the definition of a utility company, and instead adding the following language to the statute:

“The Commission may require a water company, sewage disposal company, or a water and sewage disposal company to adopt a limited–income mechanism subject to the approval of the Commission in the same manner as a utility company in accordance with this section.”

¹ *Limited Income Mechanisms for Utility Customers*, Order No. 91290 on Limited income Mechanism, PSC Administrative Docket PC 59 (2026).

This addition will ensure the Commission is authorized to proceed with allowing limited-income mechanisms for water and sewage companies in an effective form if they are deemed feasible.

Thank you for the opportunity to provide this testimony. Please contact Niki Wiggins, Director of Legislative Affairs, at niki.wiggins@maryland.gov if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kumar", with a stylized flourish extending to the right.

Kumar P. Barve
Chair, Maryland Public Service Commission