Testimony for: HB0958 Natural Gas – Connection and Line Extension – Discounts and Payment Plans
Bill Sponsor: Delegate Buckel
Committee: Environment and Transportation
Organization Submitting: Maryland Legislative Coalition Climate Justice Wing
Person Submitting: Monica O'Connor – Co-Chair
Hearing Date: February 27, 2026
Position: UNFAVORABLE

Dear Chair Korman and Committee Members:

Thank you for allowing our unfavorable testimony today on HB0598. The Maryland Legislative Coalition (MLC) Climate Justice Wing, a statewide coalition of 32 grassroots and professional organizations focused on climate justice, urges you to vote UNFAVORABLY on HB0958.

HB0958 seeks to prohibit the Maryland Public Service Commission (PSC) from ending a decades-old, flawed policy that benefits gas utilities at the expense of ratepayers. SB0958 would back track on a fairer gas line extension cost allocation process the PSC put in place last summer. This bill would protect the 'discounts and payment plans' that benefit gas companies, not Maryland's existing gas utility ratepayers.

For decades Maryland gas companies have charged existing customers for some or all of the cost of new customers' gas lines, known as line extension allowances (LEAs). When a new gas pipeline is connected to a building, the costs associated with that connection are passed onto existing gas customers. Customers pay the utility back, including interest and profits, for years. Line extension allowances, subsidized by ratepayers, incentive gas utilities to expand gas pipeline infrastructure and are incompatible with Maryland's climate goals.

Gas utilities have earned enormous profits from LEAs and are reluctant to lose this lucrative money-maker. In 2025 alone, Baltimore Gas and Electric (BGE) planned to spend $103.5 million on gas pipeline expansion, which would cost customers $397 million after accounting for BGE profits and taxes. Washington Gas planned to spend $56.25 million on gas pipeline expansion, costing customers $238 million and quadrupling the utility's return on investment.

Fortunately, the PSC issued Order 91683 in June last year. This order set in motion a process for the PSC to revise the process for new gas system connections to prevent cost increases for current gas customers and end this expensive gas LEA incentive. Ending LEAs is not a ban on new gas line connections. New gas customers can still choose to connect to the gas system;

however these customers will be responsible for paying for the cost. The Office of People's Council expects this decision to save Maryland gas customers more than $1 billion over the next 10 years and reduce the risk of stranded asset costs. Other states, including New York, California, Connecticut, Massachusetts and Colorado are ending LEAs and Washington, Oregon, and Minnesota considering similar measures.

For these reasons we ask for an UNFAVORABLE vote on HB0958 in committee.

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Cedar Lane Unitarian Universalist Church Environmental Justice Ministry
Chesapeake Earth Holders
Chesapeake Physicians for Social Responsibility
Climate Law and Policy Project
Climate Communications Coalition
Climate Parents of Prince George's
Climate Reality Greater Maryland
ClimateXChange
Coming Clean Network, Union of Concerned Scientists
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