



Maryland Energy Administration

TO: Chair Korman, Vice Chair Guyton, and Members of the Environment & Transportation Committee
FROM: MEA
SUBJECT: HB 958 - Natural Gas – Connection and Line Extension – Discounts and Payment Plans
DATE: February 27, 2026

MEA Position: LETTER OF OPPOSITION

The Maryland Energy Administration (MEA) respectfully submits this letter of opposition to House Bill 958.

HB 958 would prohibit the Public Service Commission (PSC) from adopting or enforcing any regulation or order that restricts a public service company from offering a discount or payment plan for the connection or extension of a natural gas line to a customer's property.

While the bill is narrowly drafted, its implications are significant. By limiting the Commission's authority in this area, HB 958 undermines the PSC's ability to ensure just and reasonable rates and to protect ratepayers from cross-subsidization and stranded infrastructure costs.

The extension of new natural gas distribution infrastructure carries long-term cost implications. When utilities provide discounts for line extensions, those costs do not disappear. These costs are typically socialized across the broader rate base. This can result in existing customers subsidizing new infrastructure investments, even as Maryland works to manage system costs and moderate upward pressure on utility bills.

At a time when Maryland is focused on protecting ratepayers from unnecessary cost burdens, preserving the Commission's oversight authority is essential. The PSC must retain the ability to evaluate whether promotional practices or discounted line extensions align with long-term affordability, system planning, and the State's climate commitments.

Maryland has established ambitious greenhouse gas reduction goals and is advancing policies that support electrification, energy efficiency, and non-combustion heating solutions. Policies that incentivize the expansion of long-lived fossil fuel infrastructure risk increasing stranded asset exposure and locking customers into systems that may become more expensive over time.

HB 958 would remove an important regulatory safeguard by preventing the Commission from restricting practices that could shift costs or conflict with broader energy planning objectives.

Maintaining regulatory flexibility is critical to balancing consumer protection, infrastructure planning, and climate policy.

For the reasons listed above, MEA urges the committee to issue an **unfavorable report**. Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Megan Outten, Policy manager, at megan.outten@maryland.gov or 443.842.1780.