



Maryland Grain Producers Association  
118 Dundee Ave, Chester, MD 21619  
Lindsay.mdag@gmail.com (p) 443-262-8491  
www.marylandgrain.com

Date: February 27, 2026

Environment and Transportation Committee

House Bill 958 - Natural Gas – Connection and Line Extension – Discounts and Payment Plans

MGPA Position: Support

The Maryland Grain Producers Association (MGPA) respectfully offers favorable testimony on House Bill 958. MGPA represents Maryland's corn, soybean, wheat, and barley farmers, many of whom rely on natural gas-fueled grain dryers as an essential part of post-harvest handling and storage. Grain drying is not a discretionary process, it is critical to preserving grain quality, preventing spoilage, and ensuring a safe, marketable product that supports Maryland's food supply chain and rural economy.

On February 9, 2023, the Maryland Office of People's Counsel initiated the "Future of Gas" proceeding before the Public Service Commission (PSC). As part of that docket, the PSC issued Order No. 91683 in June 2025 directing staff to draft regulations that would require applicants for natural gas service to pay the entire cost of mainline and service line extensions upfront. This proposal abandons longstanding ratemaking principles that allow customers to recover a portion of extension costs over time through rates, commonly known as a line extension allowance.

For Maryland grain producers, the elimination of line extension allowances poses a direct and disproportionate threat to the viability of grain drying operations. Grain dryers are large, seasonal energy users located in rural areas where mainline extensions are often necessary. Requiring full upfront payment for infrastructure would make connecting to natural gas cost-prohibitive for many farms, particularly family-owned operations operating on tight margins. These artificial barriers to service would reduce energy choice, increase production costs, and ultimately undermine the competitiveness of Maryland-grown grain.

For decades, Maryland utilities have used cost-effective and equitable line extension policies to expand service to new homes, farms, and businesses. These policies recognize that the addition of new customers benefits the entire system by spreading fixed infrastructure costs across a larger base. Eliminating allowances for gas service, while maintaining them for electric service, creates an unjustly discriminatory framework that unfairly disadvantages agricultural and rural customers who depend on gas infrastructure for essential operations like grain drying.

This policy shift would also harm rural economic development. Grain drying infrastructure supports local grain elevators, feed mills, poultry operations, and export markets that are foundational to Maryland agriculture. If farms cannot access affordable and reliable energy, the ripple effects will be felt throughout the State's agricultural value chain, including increased storage losses, lower crop quality, and higher consumer prices.

At a time when affordability is a top concern, requiring full upfront infrastructure costs will make energy access less attainable. While not an explicit ban on natural gas, the PSC's proposed elimination of line extension allowances would severely limit the ability of farms and rural businesses to obtain gas service. This approach ignores practical realities: Maryland will continue to rely on natural gas for many years,

and grain drying remains one of the most efficient and reliable uses of that energy source. Electrification alternatives for high-capacity dryers are not yet technologically or economically feasible for most operations and would place additional strain on an already challenged electric grid during peak harvest periods.

House Bill 958 provides an important and timely corrective by reaffirming fair and nondiscriminatory ratemaking principles that preserve energy choice and prevent unreasonable cost burdens on new customers. By maintaining line extension allowances, the bill ensures that infrastructure costs are equitably distributed, consistent with long-established utility practices that have supported agricultural growth and rural communities across Maryland.

Maryland should pursue an all-of-the-above energy strategy that balances affordability, reliability, and emissions reductions while preserving a customer's ability to choose the energy source that best fits their operational needs. For grain producers, that flexibility is essential to maintaining crop quality, reducing post-harvest losses, and sustaining the economic vitality of Maryland's agricultural sector.

For these reasons, the Maryland Grain Producers Association respectfully urges a favorable report on House Bill 958.