

**HB 540 – INVESTOR-OWNED ELECTRIC, GAS AND GAS AND  
ELECTRIC COMPANIES – UTILITY RATE CHANGES (PUBLIC  
SERVICE TRANSPARENCY ACT)**

**FAVORABLE WITH AMENDMENTS**

Good afternoon, Chair Korman, Vice Chair Guyton, and esteemed members of ENT.

For the record my name is Mary Lehman, requesting a favorable report on House Bill 540, Public Service Company Transparency Act.

Maryland electric and gas ratepayers are grappling with an affordability crisis as they have watched their monthly bills skyrocket. There are myriad and complex reasons for rising gas and electric utility costs, but they are compounded by the lack of customer awareness on how to engage with the Public Service Commission (PSC) and a lack of transparency around proceedings before the PSC that lead to rate increases.

To make Marylanders more aware of what the PSC is, how to engage with the commission, participate in rate cases, and make their voices heard, the bill has three key components:

- First, all gas and electric utilities – investor owned as well as municipal utilities and cooperatives – must include in each retail customer’s bill and automatic payment email a paragraph describing the PSC and its regulatory role and directing them on how to participate in and observe a proceeding by finding information on the commission’s website. The next two requirements do not apply to municipal gas and electric utilities or cooperatives.
- Secondly, investor-owned electric and gas utilities must notify customers of any proceeding they file with the PSC that could result in a rate change and state that more details about the specific proceeding are or will be posted on the PSC’s website.

- Third, when an investor-owned utility notifies customers of a proceeding, it also must provide that portion of the PSC's most recent annual rate report that pertains to that utility's 10-year rate trend. Within this 10-year rate trend graphic, there must be a breakdown of costs associated with transmission, distribution, and standard offer/commodity service; and account for all customer bill line items including rate riders.

These requirements are meant to make ratepayers aware that they have a say in how their rates may be affected because of a proceeding and to give ratepayers the time and the tools to engage the PSC with respect to potential rate changes.

Additionally, all public service companies must distribute to each retail customer annually a bill insert that includes that company's annual rate report and must also post the rate report on the company's website.

Finally, on or before January 1, 2028, and every January 1 going forward, the PSC working with the Office of People's Counsel (OPC), must develop and publish on its website an annual rate report for each public service company operating in Maryland on its website.

The annual rate report must describe in non-technical terms the rate and a 10-year rate trend identifying costs of transmission, distribution, and standard offer/commodity service; and account for all customer bill line items including rate riders. The commission shall use information provided by the utility company in its own customer bill inserts.

Finally, OPC is required to bring a case to the Commission if OPC determines an annual rate report published by the Commission has incomplete or incorrect information.

**AMENDMENTS:** Through conversations with affected utilities (PEPCO and BGE), the Office of People's Counsel, and the Public Service Commission, I am putting forward several amendments, some of which are clarifying, others that strike language that is either duplicative or too descriptive, and one that requires the informational paragraph about the PSC to appear on all gas and electric utility ratepayers' bills including customers of municipal systems and cooperatives.

CONCLUSION: Marylanders have seen a staggering 44 percent increase in utility rates since 2020. According to the OPC, BGE has increased gas rates three-fold since 2010 while Columbia Gas rates have grown 3.5 times the rate of inflation.

The story of rate increases also hold true for electric supply. From the same OPC report, PEPCO and Delmarva Power have increased their rates by more than double since 2010, while BGE has increased its rates 1.8 times. Potomac Edison has an average yearly increase of 2.1%, SMECO 4.3%, BGE 4.6%, Delmarva 5.8%, and PEPCO 6.0%. Consumers have no idea when these rate changes are coming, nor do they know why they are happening. This bill will keep Marylanders better informed and able to engage in proceedings that may lead to further rate increases.

I ask that you view HB540 as an important form of consumer education, protection and engagement on a critical pocketbook issue that will allow ratepayers to use their voice more effectively in proceedings before the PSC. I respectfully ask that you give this bill a favorable report.