



February 10, 2026

ENVIRONMENT AND TRANSPORTATION COMMITTEE

HB 540– Investor Owned Electric, Gas, and Gas and Electric Companies – Utility Rate Changes (Public Service Company Transparency Act)

Statement in Opposition

Chesapeake Utilities of Maryland, Inc. (“Chesapeake”) provides natural gas local distribution service to approximately 33,000 customers across Maryland’s Eastern Shore (including Cecil, Dorchester, Caroline, Wicomico, Worcester, and Somerset counties). Chesapeake respectfully **OPPOSES** HB 540 which would require utilities to meet new notification and reporting requirements before initiating any proceeding that may lead to any rate change. Specifically, HB 540 requires: (1) mandatory advance customer notice (via bill insert or email) **before** a utility changes any rate; (2) utilities to prepare a 10-year rate trend report and distribute it to customers **before** a utility changes any rate – and directs the Office of People’s Counsel (OPC) to file a complaint against a utility if OPC believes the rate report is “misleading;” and (3) utilities to include in every monthly customer bill a specific statement explaining the regulatory jurisdiction of the Maryland Public Service Commission (the “Commission”).

Chesapeake closely scrutinizes all costs it incurs in providing service to our customers to ensure that we are providing the best service at the least cost possible. Respectfully, HB 540 seems to be a solution in search of a problem and should be rejected.

HB 540 is unclear. The legislation requires utilities to notify every one of their customers anytime the utility “initiates a proceeding that may lead to a rate change.” HB 540 could lead to hundreds of unnecessary customer notifications that would serve no useful purpose and needlessly confuse customers. All rates included in a utility tariff must be approved by the Commission. However, not all utility rate changes occur as a result of a formal base rate case proceeding. Each year, utilities regularly request Commission approval to update or adjust hundreds of individual tariffed rates outside the context of a formal rate case.¹ Such individual tariff rate changes are efficient and have been common Commission administrative practice for decades. HB 540 would require utilities to send hundreds of notifications annually to all its customers that would serve no useful purpose.

HB 540 is unnecessary and will increase rates. While transparency matters, these new proposed processes would be costly, unclear, and will likely raise customer bills for the approximately 2 million public utility customers across the state without providing meaningful benefits. Existing Public Service Commission (PSC) regulations already require customer notice, which Chesapeake provides through a variety of methods that are both reasonable and cost-effective. Additionally, all relevant information for a rate proceeding is publicly available on the PSC’s website.

¹ The Commission reviews and rules on many tariff updates/changes during its weekly Administrative Meetings.



Mandating physical mail inserts multiple times a year for every single rate change proceeding, for all the public utilities across the state, will cost tens of millions annually, expenses ultimately borne by customers. These proposed requirements are unnecessary given the current public access to information and current PSC regulations on customer notice. Additionally, many customers do not provide or update email addresses, making email an unreliable tool for mandated rate-change notices.

HB 540 requires duplicative effort. HB 540 would impose duplicative and operationally burdensome administrative requirements. HB 540 would require the PSC, in collaboration with the Office of People’s Counsel, to publish an annual rate-trend report. While some other state utility commissions already produce such reports, and Maryland has done so previously, requiring public utilities to duplicate this reporting would add cost without improving transparency or providing any meaningful customer benefit. Preparing, printing, and mailing millions of rate-trend reports each year across multiple utilities would again cost tens of millions statewide—funds that would come directly from ratepayers. Moreover, HB 540 grants the OPC the authority to bring a case if it believes a rate-trend report is misleading. This OPC enforcement provision is vague (and, therefore, could lead to unnecessary complaints) and we of unaware of any similar provision in any other state law.

In summary, although Chesapeake supports transparency, HB 540 would create significant new administrative burdens and costs that ultimately fall on Maryland customers. The bill duplicates existing PSC practices, imposes costly mailing and reporting mandates, and risks interfering with routine, market-driven price adjustments.

On behalf of Chesapeake, our employees, and their families, who contribute every day to our communities, we respectfully request an unfavorable report for HB 540.

Chesapeake Utilities Corporation
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