

OPPOSE – House Bill 0642

HB0642 – Electric Companies - Service Outages and Rate Increases - Report on Customer Impact

Environment and Transportation Committee

Tuesday, February 17, 2026

Potomac Edison, a subsidiary of FirstEnergy Corp., serves approximately 293,000 customers in all or parts of seven Maryland counties (Allegany, Carroll, Frederick, Garrett, Howard, Montgomery, and Washington). FirstEnergy is dedicated to safety, reliability, and operational excellence. Its electric distribution companies form one of the nation's largest investor-owned electric systems, serving customers in Maryland, Ohio, Pennsylvania, New Jersey, New York, and West Virginia.

Unfavorable

Potomac Edison / FirstEnergy requests an Unfavorable report on HB-642 – *Electric Companies - Service Outages and Rate Increases - Report on Customer Impact*. We fully support efforts to ensure that customers, regulators, and stakeholders have access to meaningful data regarding service reliability and rate changes. HB-642 as drafted, however, imposes reporting mandates that are vague and ambiguous, operationally difficult, technologically challenging, and excessively burdensome -- with limited corresponding public benefit.

Our company does not collect demographic information from our customers, and the requirement to report based on “geographic and demographic characteristics” provides no definition of what those characteristics are intended to include. We do not request, collect, or store sensitive customer data such as their income; household size; race or ethnicity; age; etc. In addition, any geographic requirements beyond customers’ basic service address would likely require significant IT and reporting system upgrades, at substantial cost. Complying with this type of “demographic” reporting requirement would necessitate collecting sensitive customer information we do not currently gather; or attempting to derive it through third-party matching. Either approach raises serious privacy concerns, is inconsistent with customer expectations and universal data-privacy best practices, and is not relevant to the company’s obligation to provide electric distribution service to businesses and residences.

Clarifying the reporting requirements related to service outages is also of concern. Even a one-second outage triggered by normal system operations could be reportable under the bill’s language – and utilities experience large volumes of these brief, self-correcting interruptions each year that do not result in any customer harm. Momentary interruptions protect the system – however we currently cannot track momentary events at the individual customer level on much of our system. Documenting, categorizing, and mapping every one of these interruptions would be very costly - requiring new system architectures, extensive IT development, and ongoing manual review. A one-second interruption during a routine summer thunderstorm would necessitate a full geographic and demographic report – an outcome that is both impractical and of no value to customers or policymakers.

Another concern with HB-642 is the ambiguity and operational uncertainty in rate-related reporting. The bill requires reporting on customers “impacted by a rate increase,” but it does not clearly define what constitutes a “rate increase.” Because nearly all customers are technically “impacted” whenever any rate component adjusts, this could require utilities to report on their entire customer base multiple times per year on routine, Public Service Commission approved, surcharges or adjustments. To be workable at all, any definition of “rate increase” should be extremely limited and clearly defined, ideally only to changes in distribution charges as a result of a base rate case. Even with that clarification, the process of deriving, comparing, and mapping customers under the bill’s demographic/geographic requirements would remain extremely burdensome.

To comply with HB-642 as written, Potomac Edison would need to design and build new data-tracking systems; redesign reporting and data extraction processes; create new tools for geographic and demographic mapping; collect sensitive new categories of customer information; and add substantial staff capacity to manage the increased reporting volume. We share the General Assembly’s commitment to transparency, reliability, and customer protection, but these additional administrative and technology costs will ultimately flow to customer bills, without delivering any clearly defined commensurate benefits to ratepayers or regulators.

For these reasons, Potomac Edison / FirstEnergy respectfully requests an Unfavorable report on HB-642.