

HB958: Natural Gas – Connection and Line Extension – Discounts and Payment Plans
Environment and Transportation
February 27th, 2026
UNFAVORABLE
Mona Guilfoil, member of MD Third Act PUC

I am requesting an unfavorable report on HB958, which would prohibit the Maryland Public Service Committee (PSC) from ending ratepayer-funded incentives for gas line extensions (known as Line Extension Allowances or LEAs).

Financial Impact: Maryland gas utilities spend hundreds of millions of dollars each year connecting new customers to gas pipelines. These costs are passed on to existing customers, significantly increasing their bills, and of course, utility profits. For example, in 2025, BGE and Washington Gas planned to spend millions on new hookups, but customers will ultimately pay several times the initial costs due to interest and profits.

PSC Decision:

The PSC decided to end LEAs, stating that the practice hides the true cost of gas service extensions and unfairly burdens existing ratepayers. The new rules would require new customers to pay for their own connections.

HB958 Consequences:

If HB958 passes, it would reverse the PSC decision, forcing existing customers to continue subsidizing new gas connections and increasing utility profits. This is not capitalism.

Changing Market::

With more customers switching to efficient electric appliances and heat pumps, gas utilities are projected to have fewer customers and lower sales. This means the cost burden on remaining gas customers will increase. This is not capitalism.

Policy Recommendations:

Public policy should aim to lower the overall cost of the gas system, not raise it. Ending LEAs protects existing customers from rising rates while still allowing new customers to connect at their own expense. This is how capitalism works.

I urge you to issue an UNFAVORABLE report on HB958 to protect existing gas customers and support fairer, market-driven, and more sustainable energy policies.

Thank you.