

Letter of Information

House Environment &
Transportation Committee
2/10/2026

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

Baltimore Gas and Electric Company (BGE) has concerns with **House Bill 540 (HB 540) – Investor-Owned Electric, Gas, and Gas and Electric Companies - Utility Rate Changes**. BGE serves over 2 million customers with safe and reliable energy across Maryland, and we recognize that transparency is important. While HB 540 seeks to enhance transparency around utility rate changes, its proposed provisions will create significant operational, regulatory, and financial challenges, which will lead to additional costs to ratepayers.

HB 540 would require investor-owned electric, gas, and combined utilities to undertake a series of prescriptive actions prior to initiating any proceed that may result in a change in rates. Specifically, the bill mandates that utilities issue public notifications containing the Public Service Commission's (PSC) procedural schedule and publish a comprehensive ten-year rate trend report. This report must include detailed graphical analyses, a breakdown of transmission and distribution cost components, and an accounting of each bill line item and rider.

Today, the PSC issues an order to establish a case docket upon the filing of a rate application, after which a hearing is held to determine the procedural schedule. The utility filing a rate application must provide public notice of this hearing through newspaper advertising, a notice on its web site and social media. Utilities are also required to post all rate filings on their web sites. By contrast, HB 540 would impose these new reporting and disclosure obligations in advance of every rate-related filing. These requirements would create significant administrative burdens for utilities, with the potential to delay routine regulatory processes and divert resources from core functions.

Additionally, the bill also introduces duplicative reporting cycles, requiring the PSC, in consultation with the Office of People's Counsel (OPC), to publish an annual rate report beginning January 1, 2028, for which utilities are required to provide the underlying data. Utilities will be required to send a bill insert that includes this annual report to all their retail customers and post the report on their website. This will lead to additional costs borne by the ratepayers for the increase in postage associated with the delivery of the report with their monthly bill.

Lastly, HB 540's prescriptive requirement that each customer bill and automatic payment email include specified information regarding the purpose and mission of the PSC would impose additional financial burdens on ratepayers. Implementing this mandate would necessitate redesigning existing bill formats to incorporate the required disclosures. BGE currently utilizes

BGE, headquartered in Baltimore, is Maryland's largest gas and electric utility, delivering power to more than 1.3 million electric customers and more than 700,000 natural gas customers in central Maryland. The company's approximately 3,300 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC), the nation's largest energy delivery company.

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approximately 10 bill image templates, each tailored to reflect the customer's specific services and applicable tariff. Modifying this full suite of bill formats would require substantial system updates and redesign efforts, the costs of which would ultimately be borne by customers.

Transparency and consumer empowerment are essential objectives that BGE supports. However, in evaluating any reforms, it is necessary to consider the potential for unintended financial impacts and administrative burdens on utilities and, ultimately, on the customers they serve. Any regulatory changes should balance the goal of enhancing public access to information with the practical costs and operational implications of implementing such requirements.

Thank you for your continued commitment to Marylanders' energy affordability and resilience.