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## PUBLIC SERVICE COMMISSION

Chair Marc Korman  
Environment and Transportation Committee  
250 Taylor House Office Building  
Annapolis, MD 21401

### **RE: HB 540 - Information - Investor-Owned Electric, Gas, and Gas and Electric Companies - Utility Rate Changes (Public Service Company Transparency Act)**

Dear Chair Korman and Committee Members:

The Public Service Commission (the “Commission”) appreciates the opportunity to provide this informational testimony for HB 540. The bill adds notification and reporting requirements for utilities seeking a rate change before the Commission; requires utilities to add certain language on its customer bills; and requires the Commission to publish an annual rate report for each public service company. The purpose of this testimony is to: 1) inform the Committee of the current notice requirements that apply to rate cases; and 2) inform the Committee of probable impacts this bill will have on ratepayers.

Public Utilities Article § 4-203 outlines the notice requirements for utilities who file for rate changes before the Commission. A utility must provide notice to the Commission at least 30 days prior to a rate taking effect, and it must publish its proposed rate and the rate effective date in a schedule which is readily accessible to and convenient for public inspection for the entire duration of the notice period.

The Commission may suspend the proposed rate for a period of 180 days—or greater, for a multi-year rate plan—in order to determine whether the rate is just and reasonable. During the rate case, the Commission must hold public hearings in the utility’s service area to allow utility customers and other interested persons an opportunity to provide comments. The utility must publish notice of the date, time, and place of the public hearing. This notice is published in a local newspaper of general circulation and the utility’s and Commission’s websites and social media. Utility representatives attend the public comment hearings to provide information about the proposed rate changes. Comments made at the public hearing become part of the record in the rate case.

The current notices to the public provided by utilities and the Commission as described above already communicate some of the important information about the rate case to the public as

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required by this bill. The ten-year rate trend report is a new requirement added by the bill that would provide greater transparency to utility customers about their energy bills.

The Commission would like to note that the bill's requirement that the utilities provide "the relevant procedural dates" for a proceeding prior to filing a case is not possible, as the procedural schedule is necessarily established by the Commission only after a rate case filing is made. The procedural schedule is published by the Commission in the case folder on its website. If the Committee wishes to require the utility to publish a procedural schedule, the Commission would recommend amending the bill to require this notice when it is practicable for the utility to do so.

In terms of the bill's impact on ratepayers, it is likely that the bill would lead to increased expenses being included in customer rates. Utilities are permitted to recover from rates the reasonable costs associated with a rate case and the reasonable costs incurred to provide informational advertising to its customers. Because this bill requires the utility to provide various notices via printed bill inserts or bill statements, the costs of producing those inserts would be included in the expenses a utility recovers from its ratepayers. Additionally, increasing the number of notices or bill inserts being sent to a customer may detract from efforts to ensure customers look at important notices related to safety, demand management, and energy savings programs.

Please contact Niki Wiggins, Director of Legislative Affairs, at [irene.wiggins3@maryland.gov](mailto:irene.wiggins3@maryland.gov) if you have any questions related to this informational testimony.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kumar P. Barve".

Kumar P. Barve  
Chair, Maryland Public Service Commission