



HB0958 - UNFAVORABLE  
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HB0958 – Natural Gas – Connection and Line Extension – Discounts and Payment Plans

Meeting of the Environment and Transportation Committee

February 27, 2026

Dear Chair, Vice Chair, and Members of the Committee, on behalf of Elders Climate Action Maryland, I urge an unfavorable report on HB0958.

Elders Climate Action is a nationwide organization devoted to ensuring that our children, grandchildren, and future generations have a world in which they can thrive. The Maryland Chapter has members across the state.

Each day, we see the climate crisis more clearly. We know that Maryland is at risk for sea level rise, flooding from intense rainfall, heat waves, and other extreme weather events. The main cause of the climate crisis is the burning of fossil fuels such as natural gas. The methane leaks associated with the natural gas system are also a significant contributor. Moving away from fossil fuels to clean energy is essential for a stable and livable climate future.

For decades, gas utilities in Maryland have charged existing customers for some or all of the cost of new customers' gas line extensions (LEAs). Customers pay the utility not only for the costs of the line extension. They also pay for the interest and profits for the utility.

This has been enormously profitable for the gas utilities. In 2025 alone, Baltimore Gas and Electric (BGE) planned to spend \$103.5 million on gas pipeline expansion, which would cost customers \$397 million after accounting for BGE profits and taxes. Washington Gas planned to spend \$56.25 million on gas pipeline expansion, which would cost customers \$238 million—quadrupling the utility's return on investment. This gives the utilities a huge incentive to build new gas infrastructure that may be in use for many years, making it much more difficult for Maryland to reach our clean energy goals. There is also a substantial risk that those pipelines will become stranded assets.

Those pipeline expansion costs add to the affordability challenges many Maryland households face. For those of us on fixed incomes, including many of our members, this is a serious and growing concern.

Many gas customers in Maryland are moving from gas furnaces or boilers to highly efficient electric heat pumps as a safer and healthier way to heat their homes. [BGE](#) is predicting a decline in the number of gas customers through 2045.

As more and more customers electrify their homes, gas utilities will have fewer customers and sell less gas. The costs of the gas delivery system will be spread over fewer customers, and the cost per customer will rise. It is likely that many of the customers remaining on the gas system will be lower-income people who have obstacles to electrification. We hope that other state and local policies will help those customers electrify their homes, but it is a problem that is unlikely to be solved quickly.

In June 2025, the [Public Service Commission](#) issued an order to end the practice of charging existing customers for these LEAs. The PSC is now in the process of finalizing regulations. The Maryland [Office of People's Counsel](#) estimates that the PSC's decision will save BGE and Washington Gas Light (WGL) ratepayers \$150 million annually and almost a billion dollars by 2035. The PSC's decision does not ban new gas line connections. It simply requires the customer who wants the new connection to pay for it.

HB0958 seeks to prohibit the PSC from ending the practice of charging existing customers for LEAs. This backward-looking bill seeks to increase profits for gas utilities at the expense of their customers and our environment.

For all of these reasons, we strongly urge an unfavorable report on HB0958. Thank you for your time and consideration.