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**OPPOSE – House Bill 0950**

**HB0950 – County and Municipal Street Lighting Investment Act**  
**Environment and Transportation Committee**  
**Tuesday, February 24, 2025**

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 and Unfavorable report on House Bill 0950 – County and Municipal Street Lighting Investment Act.** HB-950 would allow a county or municipality to acquire street lighting equipment by purchase or condemnation, convert its street lighting service to a customer-owned street lighting tariff, enter into an agreement to purchase electricity, and contract for the maintenance of street lighting equipment.

While we appreciate HB-950's intent to provide municipalities with additional flexibility in managing streetlighting services, we must respectfully oppose the bill as currently written due to several concerns related to safety, system impacts, and cost allocation.

Potomac Edison / FirstEnergy operates in a highly regulated industry and adheres to strict safety standards. Allowing municipalities to use third-party contractors for maintenance can create safety and reliability challenges – especially if these contractors lack the required utility-level training or fail to coordinate appropriately with utility operations. Without proper protocols, streetlighting work performed near other energized infrastructure risks compromising system integrity, public safety, and restoration activities during outages. To mitigate these risks, any third-party maintenance personnel should be required to meet utility-approved training and safety standards, and utilities must retain authority over all work involving poles, conductors, or other shared infrastructure elements.

The “make-ready work” activities required under HB-950 - such as rewiring, circuit reconfiguration, and pole or structural modifications - have cost implications that can extend well beyond the immediate streetlighting equipment. Often, this type of work affects the wider distribution network and requires specialized equipment, planned outages, and sometimes even system redesign. We are concerned the legislation does not clearly ensure recovery of actual, audited make-ready costs when these activities exceed tariff assumptions. To avoid

unintended financial burdens on our customers, and to ensure operational readiness, the bill should include a mechanism that guarantees full cost recovery for make-ready work based on actual, verified expenditures.

HB-950's reliance on "net book value" as the basis for asset transfers may significantly undervalue streetlighting assets – assets that remain fully functional and tightly integrated into the existing distribution system. If municipalities are able to acquire these assets at prices below replacement or fair-market cost, the remaining utility customer base must absorb the unrecovered asset value. This unrecovered value would lead to inequitable cost-shifting -- and eventually lead to higher rates for customers. Adopting a blended valuation approach that accounts for remaining useful life, replacement cost, and the broader system integration value of these assets is recommended.

**For these reasons, Potomac Edison / FirstEnergy respectfully requests an Unfavorable report on HB-950.** The bill is not in alignment with our duty to provide street lighting solutions that ensure the safety of residents and the general public. The issues contemplated by this legislation are already subject to Maryland Public Service Commission oversight, and any community with issues can get them resolved through their process.