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112 West Street  
Annapolis, MD 21401

**Letter of Information – House Bill 509 - Campaign Finance - Contributions by Gas and Electric Utility Companies - Prohibition**

Potomac Electric Power Company (Pepco), and Delmarva Power & Light Company (Delmarva Power) submit this letter of information on **House Bill 509 - Investor – Owned Electric, Gas, and Gas and Electric Companies – Utility Rate Changes**. House Bill 509 prohibits a utility company doing business in the State from, directly or indirectly, making a contribution to (1) the campaign finance entity of a candidate for a nonfederal public office in the State or (2) any other campaign finance entity organized in support of a candidate for nonfederal public office in the State. “Utility company” means an electric company or a gas company, as defined in § 1-101 of the Public Utilities Article.

As drafted, House Bill 509 applies narrowly to a specific category of businesses and does not establish a universal standard governing political contributions by all regulated entities or industries operating in Maryland. Other companies subject to State regulation, including telecommunications providers, insurance companies, health care entities, financial institutions, water and wastewater utilities, transportation companies, and other large rate- or fee-regulated businesses, would not be subject to the same prohibition under this bill.

As a result, the legislation creates an arbitrary distinction between investor-owned electric and gas utilities and other similarly situated entities that may also operate under State regulatory frameworks and collect revenues from Maryland consumers. The bill does not address political contributions by unregulated affiliates, trade associations, labor organizations, other corporations, or other entities that may engage in political activity, nor does it apply to municipal utilities or electric cooperatives.

This targeted approach raises questions about consistency and fairness in campaign finance regulation. By singling out one class of regulated companies rather than applying a uniform standard across regulated industries, House Bill 509 may be viewed as imposing unequal restrictions based solely on industry type rather than on a broader principle applicable to all regulated or rate-recovering entities.

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