

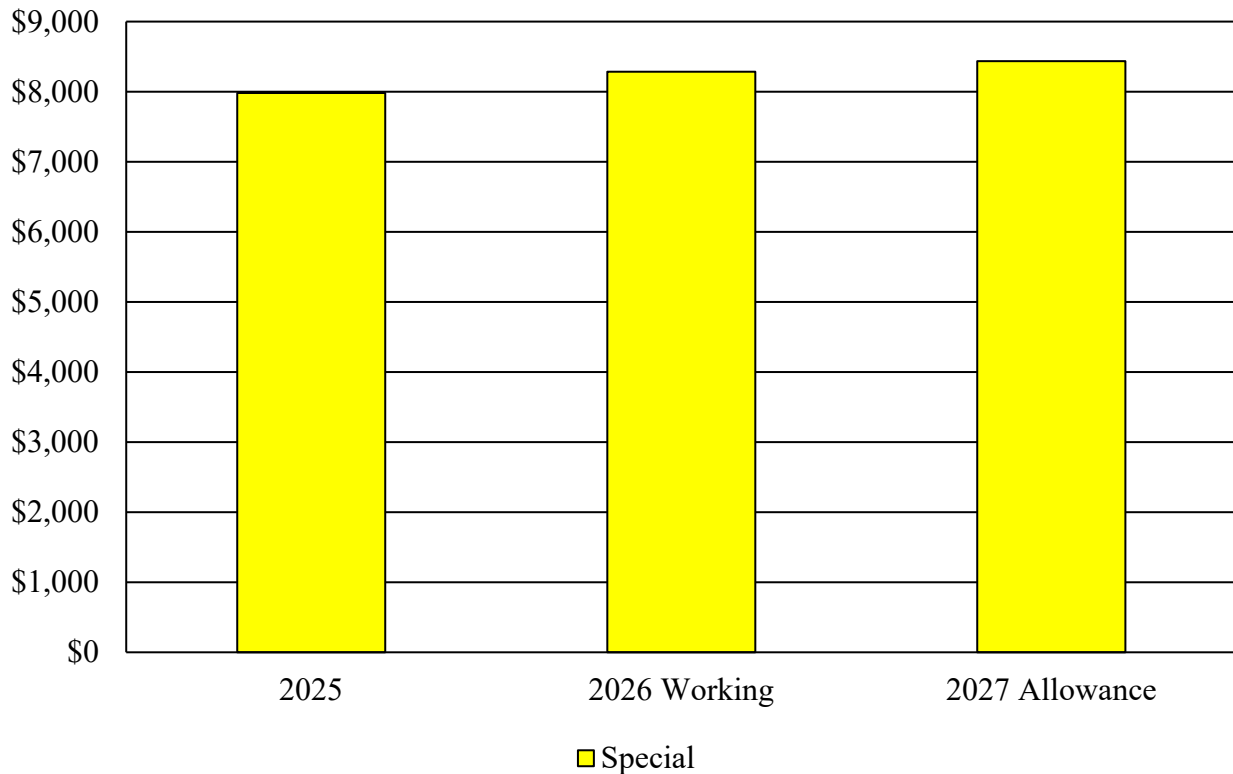
C91H00
Office of People’s Counsel

Program Description

The Office of People’s Counsel (OPC) represents the interests of residential utility consumers before the Public Service Commission (PSC), federal regulatory agencies, and the courts in matters related to electricity, natural gas, telecommunications, and private water service. OPC also engages in consumer education and outreach initiatives and assists consumers in resolving issues related to their utility service. The People’s Counsel is appointed by the Attorney General of Maryland. OPC is funded through special funds derived from an assessment on public service company revenues.

Operating Budget Summary

**Fiscal 2027 Budget Increases \$150,292, or 1.8%, to \$8.4 Million
(\$ in Thousands)**



Note: The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

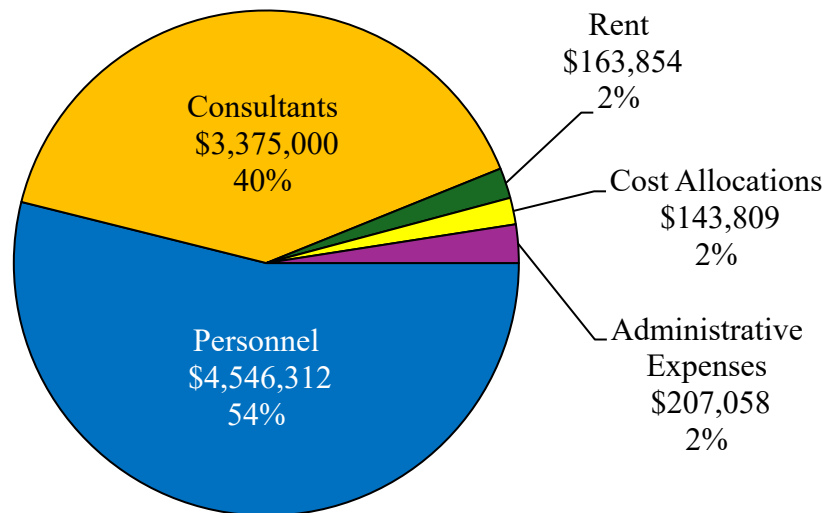
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Fiscal 2027 Overview of Agency Spending

The fiscal 2027 allowance for OPC totals \$8.4 million. As shown in **Exhibit 1**, personnel expenses total \$4.5 million, or 54% of the budget, to support the office’s 28 regular positions. Outside of personnel, the majority of OPC’s budget is directed to outside legal services support, which totals \$3.4 million, or 40% of the fiscal 2027 allowance. This funding is used for outside subject matter experts and consultants who assist OPC with analyzing and presenting evidence in proceedings before various regulatory bodies and the courts. The need for these services may vary from year to year, depending on actual workload and case participation in matters pending before regulatory bodies at both the State and federal level.

Exhibit 1
Overview of Agency Spending
Fiscal 2027 Allowance



Note: The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

Source: Governor’s Fiscal 2027 Budget Books

Proposed Budget Change

As shown in **Exhibit 2**, OPC’s fiscal 2027 allowance increases by \$150,292, or 1.8%, compared to the fiscal 2026 working appropriation. Regular personnel expenses increase by \$126,826 overall, primarily accounting for employee and retiree health insurance. Other major changes include an increase of \$75,000 associated with outside legal services support.

Exhibit 2
Proposed Budget
Office of People’s Counsel
(\$ in Thousands)

How Much It Grows:	<u>Special</u> <u>Fund</u>	<u>Total</u>
Fiscal 2025 Actual	\$7,981	\$7,981
Fiscal 2026 Working	8,286	8,286
Fiscal 2027 Allowance	8,436	8,436
Fiscal 2026-2027 \$ Change	\$150	\$150
Fiscal 2026-2027 % Change	1.8%	1.8%
Where It Goes:		<u>Change</u>
Personnel Expenses		
Employee and retiree health insurance		\$147
Salary and fringe benefit adjustments.....		38
Turnover expectancy increased from 0.51% to 1.98%.....		-58
Other Changes		
Outside legal services support to better align with recent experience.....		75
Outside services associated with updating case management system and translating outreach materials.....		11
One-time furniture and equipment costs for new position		-5
Bookbinding and photographic reduction to align with recent experience		-6
Costs associated with DoIT-managed services for information technology, more than offset by reductions from outside vendors due to this transition.....		-7
Data processing equipment.....		-11
Cost allocations other than DoIT services		-12
One-time contract with Towson University to provide leadership and organizational development training		-15
Other		-9
Total		\$150

DoIT: Department of Information Technology

Note: Numbers may not sum to total due to rounding. The fiscal 2027 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

Personnel Data

	FY 25	FY 26	FY 27	FY 26-27
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	27.00	28.00	28.00	0.00
Contractual FTEs	<u>0.50</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Personnel	27.50	28.00	28.00	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	0.55	1.98%
Positions and Percentage Vacant as of 12/31/2025	1.00	3.57%
Vacancies Above Turnover	0.45	

Key Observations

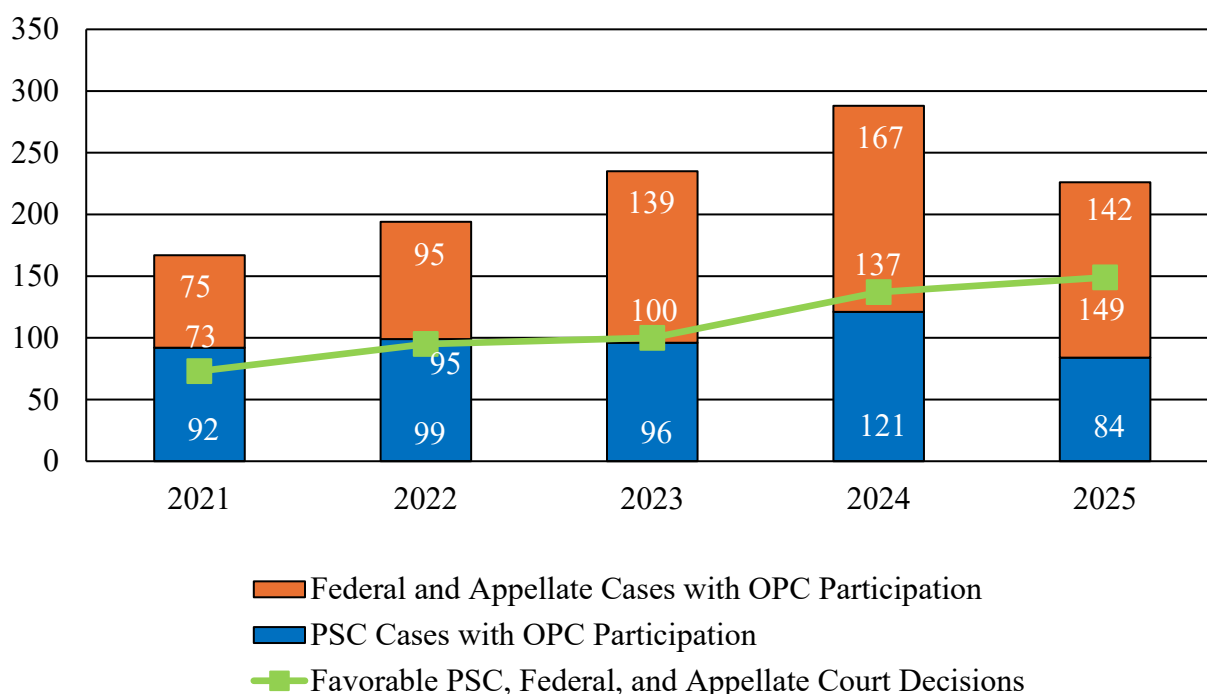
1. Growth in OPC Workload

OPC’s primary statutory responsibility is to advocate on behalf of the interests of Maryland residential utility customers. Section 2-204 of the Public Utilities Article requires OPC to evaluate each matter pending before PSC to determine if the interests of residential and noncommercial users are affected, taking into consideration the public safety, economic welfare, and environmental interests of the State and its residents, including the State’s progress toward meeting its greenhouse gas emissions reductions goals. OPC is required to appear before PSC and the courts on behalf of residential and noncommercial users in each proceeding in which PSC has original jurisdiction, if OPC considers that its interests are affected. Additionally, OPC may appear before federal regulatory agencies and other State entities to advocate on behalf of the interests of residential and commercial users.

As shown in **Exhibit 3**, OPC participated in 226 cases at the State, federal, and appellate court levels in fiscal 2025, including participation in 84 cases before PSC. Overall, OPC case participation in fiscal 2025 decreased by 62 cases, or 21.5%, compared to fiscal 2024. OPC case participation at the State, federal, and appellate court levels reached its highest point in recent years in fiscal 2024 at 288 cases, including participating in 121 cases before PSC. OPC notes that the total cases in a year accounts for the number of active cases throughout the year – fiscal 2024 reflected more cases that spanned multiple years and closed before fiscal 2025. Federal proceedings in which OPC participates include matters pending before the Federal Energy Regulatory Commission and other federal regulatory bodies and recently have included matters relating to wholesale electricity markets, transmission rates and services, natural gas transmission,

and other interstate matters. Of the total PSC, federal, and appellate cases in which OPC participated in fiscal 2025, there were 149 favorable decisions issued. Compared to fiscal 2024, the number of favorable decisions issued increased by 12, or 8.8%, despite a decrease in the number of total cases participated in by OPC. The number of favorable decisions issued generally varies depending on overall case participation and the type of case and is impacted by the range of stakeholders involved in a given case. Additional stakeholders involved in a case may advocate for a range of positions different from OPC and impact the likelihood of a favorable outcome.

Exhibit 3
OPC Case Participation and Favorable Decisions
Fiscal 2021-2025



OPC: Office of People’s Counsel
PSC: Public Service Commission

Source: Office of People’s Counsel; Department of Budget and Management

Compared to fiscal 2021, the number of cases that OPC participated in increased by 35.3% in fiscal 2025. Overall, the workload of OPC has generally increased in recent years, reflective of the case participation rate and increases in the complexities of proceedings in which it is involved. In general, OPC’s workload has increased since the enactment of Chapter 607 of 2021, which expanded the scope of OPC’s statutory responsibilities to include the consideration of the environmental interests of the State and its residents and the State’s progress toward meeting its

greenhouse gas emission reduction goals. Chapter 607 resulted in an increase in both the number of proceedings and scope of existing proceedings in which OPC is involved. For example, utility rate cases and other proceedings now include a review by OPC of the impacts of potential programs or investments on the State’s ability to meet its climate change and greenhouse gas reduction goals. As such, the number of witnesses that testify in proceedings and the scope of evidence presented have expanded in scope.

Supplementing OPC’s primary ongoing statutory responsibilities, the People’s Counsel or a designee has been appointed to and served on a variety of State workgroups and task forces created through legislation in recent years, including:

- the Maryland Commission on Climate Change;
- the Zero Emission Electric Vehicle Infrastructure Council;
- the Building Energy Transition Implementation Task Force;
- the Task Force to Study Solar Incentives; and
- the Green and Healthy Homes Task Force.

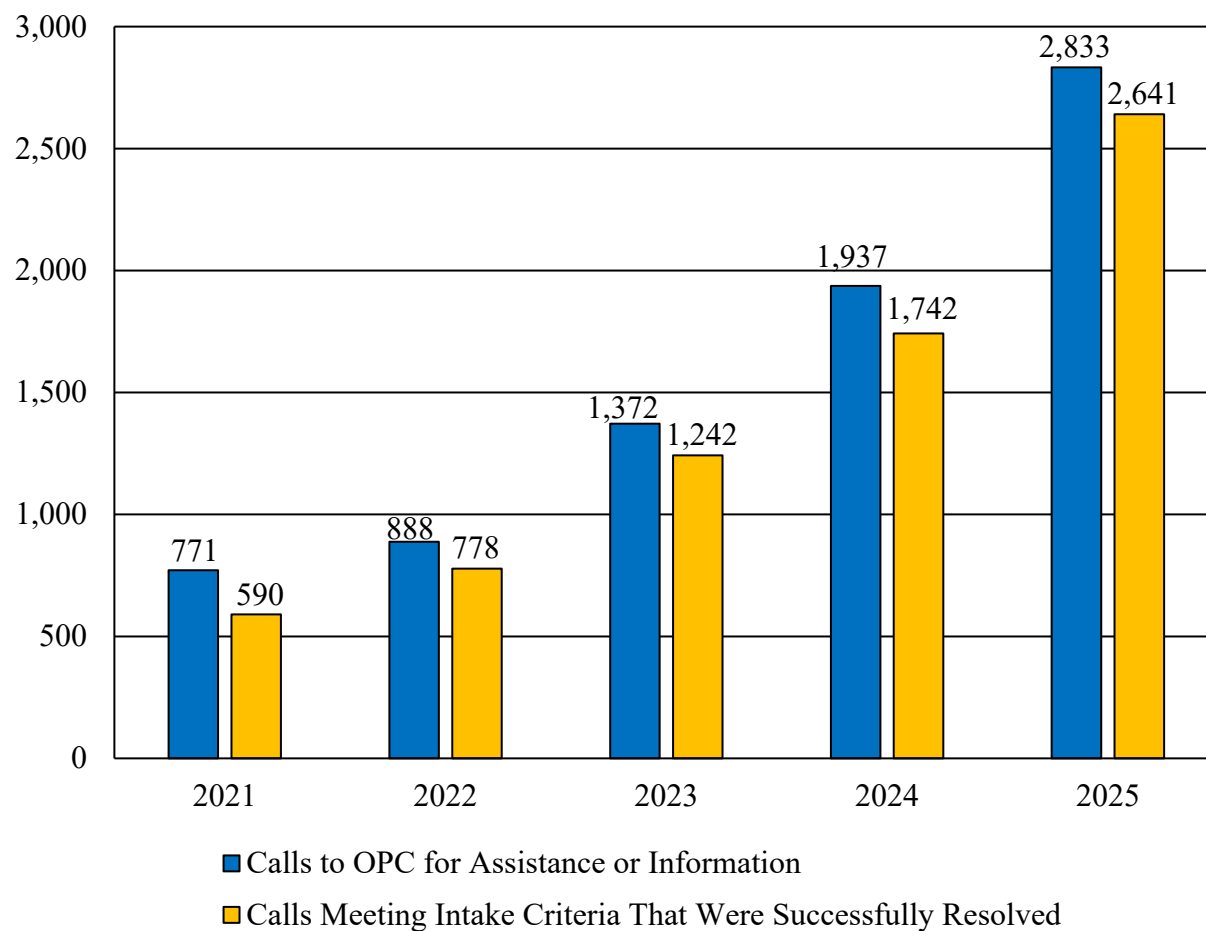
In addition, OPC staff participate in a number of State and federal task forces and workgroups. In recent years, these have included working groups related to electric vehicle charging infrastructure, battery storage, electric distribution system planning, retail supply, community aggregation, solar siting, electric reliability standards, data centers, and other topics with important implications for residential customers.

2. Calls to OPC for Assistance and Calls Successfully Resolved Increase

In addition to representing the interests of residential ratepayers in regulatory and court proceedings, OPC also conducts outreach and customer education related to utility matters, including responding to calls and other inquiries for assistance. While the number of calls to OPC for assistance fluctuates from year to year, OPC tends to experience increases in calls during periods with extreme weather or during periods of economic downturn, similar to increases in calls to PSC and applications for energy assistance. As shown in **Exhibit 4**, calls to OPC for assistance increased by 46.3% in fiscal 2025 compared to fiscal 2024 and was the highest number of calls since at least fiscal 2009. According to OPC, the increase in the number of calls in fiscal 2025 was primarily associated with increases in utility rates. OPC also notes that the number of calls from organizations on behalf of clients increased in fiscal 2025, which can be attributed to OPC’s outreach efforts. The number of calls received by OPC meeting intake criteria that were successfully resolved has also increased, from 590 in fiscal 2021 to 2,641 in fiscal 2025. Compared to fiscal 2024, the number of calls successfully resolved increased by 899 calls, or 51.6%. Beginning in fiscal 2021, OPC tracks calls where an intake was conducted and a referral to another

agency was made as a successful resolution, resulting in a higher number of calls falling into this category.

Exhibit 4
Calls to OPC for Assistance
Fiscal 2021-2025



OPC: Office of People’s Counsel

Source: Office of People’s Counsel; Department of Budget and Management

OPC should discuss whether it has continued to experience increased call volume in fiscal 2026 and the impact of the prolonged cold weather on the number of calls received in fiscal 2026.

Operating Budget Recommended Actions

1. Concur with Governor’s allowance.

**Appendix 1
Audit Findings**

Audit Period for Last Audit	February 22, 2021 – December 8, 2024
Issue Date	April 2025
Number of Findings	1
Number of Repeat Findings	0
% of Repeat Findings	0%

Finding 1: OPC awarded consulting services contracts to vendors that were not registered or in good standing with the State without required approval and without publishing the solicitation and/or award as required.

Appendix 2
Object/Fund Difference Report
Office of People's Counsel

<u>Object/Fund</u>	<u>FY 25</u> <u>Actual</u>	<u>FY 26</u> <u>Wrk Approp</u>	<u>FY 27</u> <u>Allowance</u>	<u>FY 26 - 27</u> <u>\$ Change</u>	<u>% Change</u>
Positions					
01 Regular	27.00	28.00	28.00	0.00	0.0%
02 Contractual	0.50	0.00	0.00	0.00	N/A
Total Positions	27.50	28.00	28.00	0.00	0.0%
Objects					
01 Salaries, Wages, and Fringe Benefits	\$3,954,490	\$4,419,486	\$4,546,312	\$126,826	2.9%
02 Technical and Special Fees	3,470,928	3,300,000	3,375,000	75,000	2.3%
03 Communications	5,202	2,533	6,411	3,878	153.1%
04 Travel	34,450	31,115	27,500	-3,615	-11.6%
07 Motor Vehicle Operation and Maintenance	12,714	18,720	17,570	-1,150	-6.1%
08 Contractual Services	229,477	239,115	207,169	-31,946	-13.4%
09 Supplies and Materials	58,983	62,200	59,500	-2,700	-4.3%
10 Equipment – Replacement	31,510	22,500	12,000	-10,500	-46.7%
11 Equipment – Additional	0	5,000	0	-5,000	-100.0%
13 Fixed Charges	183,667	185,072	184,571	-501	-0.3%
Total Objects	\$7,981,421	\$8,285,741	\$8,436,033	\$150,292	1.8%
Funds					
03 Special Funds	\$7,981,421	\$8,285,741	\$8,436,033	\$150,292	1.8%
Total Funds	\$7,981,421	\$8,285,741	\$8,436,033	\$150,292	1.8%

Note: The fiscal 2027 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.