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STATEMENT OF PEOPLE'S COUNSEL PAULA CARMODY ON BGE GAS AND ELECTRIC RATE CASE FILING

(Baltimore, MD July 27, 2012):

The following statement may be attributed to Paula M. Carmody, People's Counsel:

Baltimore Gas & Electric Company has filed an application for a combined gas and electric rate increase of over \$200 million, and is seeking a significant increase in rates from its residential gas and electric customers. Exelon, the parent company of BGE, told the ratings analysts on June 7 that it planned to file for a rate increase, so I am not surprised by this action. In its presentation to the analysts, Exelon stated that it is committed to making the merger between Exelon and Constellation successful – and listed the filing of a BGE rate case on its merger checklist/scorecard. Seeking a rate increase, especially as the Public Service Commission is examining BGE's performance during the recent major storm outage, is not OPC's idea of a successful merger result.

The Office of People's Counsel vigorously challenged the recent PEPCO rate case application, with the assistance of multiple experts, and we were successful in opposing most of PEPCO's request for a substantial rate increase and excess profit

level, in addition to its request for a separate infrastructure surcharge on top of a rate increase. While it is critical that customers receive reliable service, we must also make sure that the rates they pay are reasonable for that service. I intend to apply the same high level of scrutiny by our agency on behalf of residential ratepayers to BGE's request that was applied in the PEPCO case. As we begin our investigation of BGE's rate case application, we also will examine the performance of BGE and other electric companies during the recent storm outages as part of the Commission's proceedings in Case No. 9298. I also look forward to working with the Governor's Energy Advisor and state agencies regarding improvements to the resiliency of the electric distribution system throughout Maryland.

The Maryland Office of the People's Counsel is an independent state agency which represents residential consumers of regulated utility services including electric, gas, telecommunications, and water services, before the Maryland Public Service Commission, other state and federal agencies and the Courts.

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