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PRESS RELEASE

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**OFFICE OF PEOPLE'S COUNSEL FILES TESTIMONY OPPOSING
BGE RATE INCREASE**

(AUGUST 14, 2020) --- People's Counsel Paula Carmody announced today that the Office of People's Counsel (OPC) submitted the testimony of eight expert witnesses to the Public Service Commission in response to BGE's May 15, 2020 request for approval of a three-year rate plan. BGE's three-year rate case filing is a new approach to setting rates for gas and electric utilities and is in response to the Commission's approval last year of multi-year rate plan filings. "We are trying to address household difficulties with past-due and current bills once the utility disconnection moratorium ends, but in the middle of this crisis, we also must respond to BGE's proposal to set rates for the next three years. We support BGE's decision not to propose rate increases for two years during this extended health and financial crisis and recovery. However, it is our job to identify for the Commission unnecessary utility spending that will result in large rate increases for households in the future," stated Ms. Carmody.

Given the COVID-19 pandemic and the financial difficulties it has created for so many households, OPC supports BGE's decision to maintain rates at their current levels for 2021 and 2022. OPC also supports reasonable spending on critical infrastructure projects over the three-year plan. However, OPC's analysis of BGE's spending plans has found that the Company proposes major spending increases during the three-year plan, with a significant rate increase in 2023 as a result. Maintaining rates at current

levels with such significantly increased spending will require all BGE customers to pay higher rates for many years in the future. OPC's witnesses show that BGE's proposed rate increase for 2023 of \$140.4 million in electric distribution rates and \$94.9 million in gas distribution rates is not necessary; instead, rates can be maintained at their current level for that year as well.

With the COVID-19 pandemic causing financial hardship for so many BGE customers, utility proposals for future spending must be scrutinized to ensure that unnecessary costs are not imposed on customers. OPC found that \$781 million of spending increases proposed by BGE are not necessary at this time to maintain the improved levels of reliability achieved by BGE and continue with necessary upgrades to our electric and gas infrastructure. OPC's recommendations do not propose any changes to the Maryland Strategic Infrastructure Development and Enhancement Plan (STRIDE) natural gas line replacement program over the three-year plan.

We understand that even at current rate levels, many customers have had difficulty paying utility bills as a result of the COVID-19 pandemic. By Executive Order of the Governor, there is a moratorium on disconnection of utility service for failure to pay until September 1, 2020. OPC has filed a Petition with the Commission with proposals to address the substantial past-due utility bills incurred by households during the State of Emergency. "I strongly encourage customers who have past-due utility bills to contact their gas or electric company now to discuss flexible and affordable payment plans," said Ms. Carmody. "Many customers who have lost jobs or have reduced incomes may be eligible for energy assistance for past and current bills through the Office of Home Energy Programs (OHEP). These funds can be a lifeline to maintain electric and gas service if and when the disconnection moratorium ends."

If you would like a copy of OPC's filing with the Commission, please view the public testimony in Commission Case No. 9645 at www.psc.state.md.us. Please view OPC's COVID-19 Information and Assistance Resource Sheets at www.opc.maryland.gov or contact us at DLInfo.OPC@maryland.gov or 410-767-8150. You can apply for OHEP assistance at mydhrbenefits.dhr.state.md.us.

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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