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BILL NO.: House Bill 0540 – Investor-Owned Electric, Gas, and Gas and Electric Companies - Utility Rate Changes (Public Service Company Transparency Act)

COMMITTEE: Environment and Transportation Committee

HEARING DATE: February 10, 2026 (ENT)

SPONSOR: Delegates Lehman, Charkoudian, Embry, Fennell, Hill, Palakovich Carr, Phillips, Ruth, Terrasa, White Holland, Woods, and Ziegler

POSITION: Favorable

The Office of People’s Counsel (“OPC”) respectfully offers the following comments in support of House Bill 540, the Public Service Company Transparency Act. HB 540 would enable residential utility customers to better understand what is driving rate increases and create publicly available information on historical data in supply, transmission, and distribution costs as an important step to improving transparency.

HB 540 would make several relevant changes to the required public disclosures public service companies must make before requesting changes to their rates. Neither existing law nor current Maryland Public Service Commission (“PSC”) regulations require a public service company that is requesting a rate change to (i) directly notify customers through a bill attachment or email, or (ii) provide information on its rates and bill components to customers. HB 540 would make both types of disclosures a requirement prior to any new rate increase. HB 540 would also direct the PSC to publish an annual report that explains trends in rates and consolidates the rate trend reports for each utility.

OPC supports HB 540 and appreciates the sponsors’ efforts to enhance public transparency and understanding of utility rate trends. Publicly available information on

historical trends in rates is key to understanding the causes of rising energy bills. There is little publicly available information—beyond the information that our office has been publishing¹—that shows the different components of utility bills and how they have changed over time. This lack of information can obscure the reasons why energy bills are rising. For example, because the costs to supply electricity go up and down, hour-by-hour and year-by-year, it is easy to manipulate attributions of bill impacts by cherry picking low and high supply prices—largely due to changes in the commodity cost of natural gas over which the State has little control—while ignoring historical trends in steadily increasing distribution rates.

Today, OPC is the only State agency that publishes historical trends and data on public service company rates for the general public.² OPC puts considerable resources into developing the information and ensuring its accuracy based on publicly available information. The information is readily available to each utility for filing with the PSC. Since the PSC is responsible for regulating utilities and approving requests to increase rates, it is the State agency best situated to collect data from public service companies and report on historical rate trends for all investor-owned utilities.

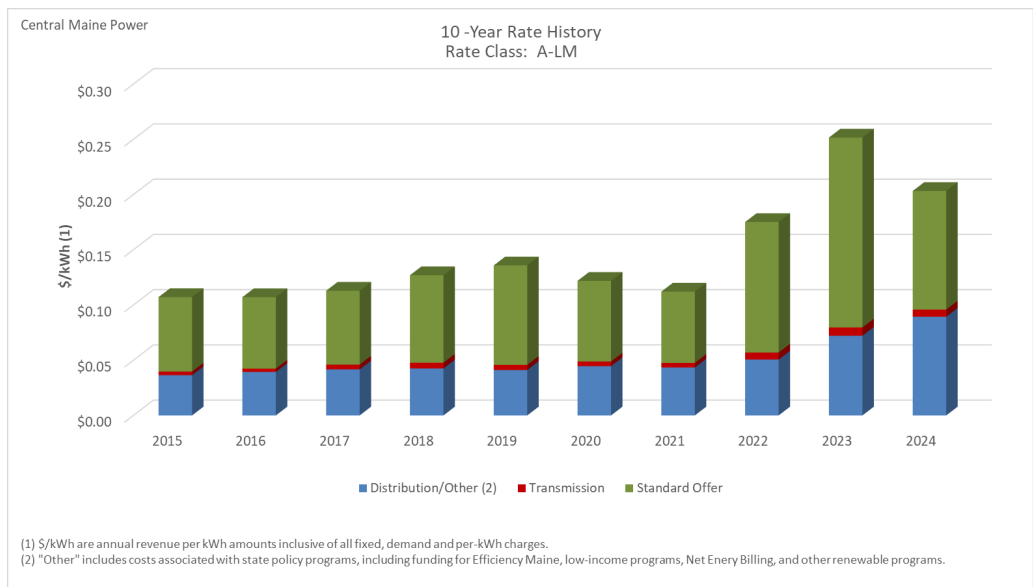
As an example, the Maine Public Service Commission (“Maine PSC”) already has this responsibility. In 2019, the Maine Legislature passed into law House Paper 745 (“HP 745”) which directed the Maine PSC to produce and publish 10-year rate reports for investor-owned transmission and distribution companies.³ HP 745 requires each 10-year rate report to display a 10-year history of transmission, distribution and standard-offer service rates.⁴ It further requires the Maine utilities to include the 10-year report as an insert to customer bills at least once per year. As illustrated below, a graph from Maine’s report clearly and simply breaks down the components of the bill and allows a customer to readily identify what is driving rate increases.

¹ See Maryland Office of People’s Counsel, *Utility Rates and Basics* (last updated March 2025). Accessible at: <https://opc.maryland.gov/Consumer-Learning/Utility-Rates-and-Basics>.

² See Maryland Office of People’s Counsel, *Maryland’s Utility Rates and Charges: Explanation and data on utility bills, rates, and charges and how—and why—they have changed over time* (June 2024, updated March 2025). Accessible at: <https://opc.maryland.gov/Consumer-Learning/Utility-Rates-and-Basics>.

³ See 129th Maine Legislature, First Regular Session, An Act To Ensure Accurate Explanations of Electric Bills, House Paper 745 (2019). Accessible at: https://legislature.maine.gov/bills/display_ps.asp?snum=129&paper=HP0745&PID=1456.

⁴ The 10-year rate reports published by Maine’s Public Service Commission can be accessed here: <https://www.maine.gov/mpuc/regulated-utilities/electricity/rate-history>.



HB 540 would also build on legislation passed into law by the Colorado legislature. Colorado Senate Bill 23-291 (“SB 23-291”), passed into law in 2023, added new requirements for public service companies to meet before filing a request for a rate change.⁵ SB 23-291 required public service companies, at the time of requesting a rate increase, to provide to the Colorado Public Utilities Commission a 10-year rate trend report with specific information including: the incremental increase or decrease from the most recent approved change, a chart or graph displaying the 10-year historical trend for the specific rate the public service company is requesting to change, and the total amount of the rate in each of the past 10 years.⁶ This is information the utilities already have, and need to develop for their standard rate case application.

OPC acknowledges certain technical challenges that may arise in the implementation of HB 540, if passed in its current form. OPC will work with the sponsors to remedy these technical implementation challenges. OPC appreciates the sponsors’ efforts to bring more transparency to the complicated and opaque process of utility rate-making. We look forward to working with the sponsors on amendments to make the bill more technically feasible.

Recommendation: OPC requests a favorable Committee report on HB 540.

⁵ See Colorado General Assembly, *Senate Bill 23-291 - Concerning the public utilities commission's regulation of energy utilities, and, in connection therewith, making an appropriation* (2023 Regular Session).

⁶ SB 23-291 page 3-4.