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TESTIMONY OF SENATOR DELORES G. KELLEY
REGARDING SENATE BILL 131-PUBLIC SERVICE COMMISSION-
RATE SUSPENSION PROCEEDINGS
BEFORE THE SENATE FINANCE COMMITTEE
ON FEBRUARY 1, 2022

Colleagues:

Senate Bill 131 simply allows the Maryland Public Service Commission, its Technical Staff, and other parties a little more time (a maximum of 90 days, added on to six months) to review and analyze the vast amount of forecasted data from utilities in “alternative,” or multi-year, rate cases. It is important that proposed utility rates are scrutinized, as this is a highly technical process.

In 2019 there was a legislative debate concerning alternative forms of ratemaking. I participated in the PSC’s public conference that ultimately led to the Commission’s decision to ultimately approve multi-year rate plans. The

Commission has processed two of these complex cases so far, from BGE and Pepco, and we will hear more about lessons learned today, from our panelists.

You will hear the PSC Chairman describe the process of a multi-year rate case and its complicated elements. A representative from PSC's Technical Staff will tell us about their experience reviewing utility forecasts in multi-year cases and conducting the essential reconciliation processes. We will also hear supportive testimony from OPC and AOBA, who are parties to these rate cases. You will not hear any opposition from the utilities.

SB 131 is a small, but critical, change that will benefit the public – ensuring that utility rates are fair, stable, and predictable. The attached amendment, a recommendation from the PSC, reduces the wait time from 120 to 90 days.

In light of these considerations, I ask for a favorable report for SB 131.