

COMMISSIONERS

FREDERICK H. HOOVER, JR.
CHAIR

KUMAR P. BARVE
BONNIE A. SUCHMAN
ODOGWU OBI LINTON
RYAN C. MCLEAN



CONTACT: Tori Leonard
tori.leonard@maryland.gov

Maryland Public Service Commission Substantially Reduces BGE's Multi-Year Rate Plan Reconciliation Request

For Immediate Release: December 22, 2025

Media Contact: Tori Leonard | tori.leonard@maryland.gov

(BALTIMORE, MD) – The Maryland Public Service Commission has denied much of Baltimore Gas and Electric Company's request for a \$152.3 million true-up of the final year of its pilot three-year rate plan. The Commission's order today instead grants the company \$77.2 million. The utility had asked to recover spending that it says it under collected in rates in 2023.

"The actions of the elected leaders of the State in reaction to the widespread concerns regarding affordability of critical utility services demonstrate that granting a reconciliation of the magnitude BGE requested would risk increased utility unaffordability by many customers," said Frederick H. Hoover, Chair of the Public Service Commission. "While the estimated monthly bill impact resulting from this decision does not fully mitigate the utility affordability risks faced by residential customers, it does at least – to some degree – buffer the impact."

Today's order will result in a monthly bill impact of 72 cents for the average residential electric customer, and \$1.95 for the average residential gas customer, beginning in February 2026 and extending through the end of 2027. In this reconciliation case, the Commission found that approval of BGE's proposed reconciliation would amount to twice as much as what the company was granted for the first two years of its pilot multi-year plan combined, and would result in rates that are unaffordable to ratepayers.

Legislation passed in the 2025 General Assembly session will prohibit true-ups in future utility multi-year rate plans. The General Assembly also, as part of the Next Generation Energy Act, established the Legislative Relief Fund to provide summer and winter bill credits to residential electricity customers. Over the summer, BGE's parent company, Exelon Corporation, provided \$50 million to community assistance organizations across its footprint to help some customers pay their bills.

In May 2020, BGE became the first utility to apply for a rate increase using a multi-year plan under a pilot ratemaking mechanism approved by the Commission in February of that year. The Commission, at the time, noted that it would allow for a reconciliation twice. This is the second permitted reconciliation after the end of the three-year rate-effective period. Today's order noted that BGE overspent its budget

in a number of program areas, but found that some of the company's spending would provide substantial reliability and other benefits to customers.

In approving less than half of BGE's request, the Commission is mindful of the numerous public comments, from customers (including some 7,000 postcards from customers in Baltimore City), as well as State and federal public officials sharing their concerns regarding increasingly unaffordable utility bills attributable both to BGE's first and second multi-year rate plan reconciliation requests.

The Commission noted that "Approving BGE's full year-three reconciliation request on a foundation of questionable forecasting, followed up by substantial overruns of its approved budgets, would wrongly reward the utility's performance rather than encourage a more disciplined approach to managing for results that benefit both the utility and its customers."

###

[Order No. 92106 in Case No. [9645](#)]

About the Public Service Commission:

The Maryland Public Service Commission regulates electric and gas utilities and suppliers, telephone companies (land lines), private water and sewer companies, passenger motor vehicle carriers for hire, taxicab companies in some jurisdictions and bay pilot rates. The Commission implements the energy policy of the State and also regulates the siting of energy generating facilities and high-voltage transmission lines.