

ORDER NO. 92384

Accounts Receivable Related to Residential
Electric and Gas Supply

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Administrative Docket
PC 65

Issue Date: April 28, 2026

**ORDER REGARDING CESSATION OF
RESIDENTIAL PURCHASE OF RECEIVABLES**

On October 9, 2025, the Joint Utilities¹ filed a plan for ending Utility Consolidated Billing (“UCB”) services to third-party suppliers for residential accounts, and ending the gradual phase-out set forth by the Commission Order No. 91463. On November 14, 2025, the Supplier Coalition² filed a Renewed Motion to Stay enforcement of Order No. 91463. Several parties filed comments on the Joint Utilities’ and the Supplier Coalition filings. For the reasons discussed in this Order, the Commission approves the Joint Utilities’ plan, subject to the exceptions set forth below, and denies the Supplier Coalition’s Motion to Stay.

I. PROPOSAL TO END RESIDENTIAL PURCHASE OF RECEIVABLES

A. Joint Utilities’ Proposal to End All Residential Purchase of Receivables

On October 9, 2025, the Joint Utilities filed with the Commission a plan detailing their preparations to wind down all residential purchase of receivables (“POR”).³ Under their plan, the Joint Utilities will no longer provide UCB services to third-party suppliers

¹ The Joint Utilities are Baltimore Gas and Electric Company (“BGE”), Delmarva Power and Light Company (“Delmarva”), Potomac Electric Power Company (“Pepco”), The Potomac Edison Company (“PE”) and Washington Gas Light Company (“WGL”).

² The Supplier Coalition includes the Retail Energy Supply Association (“RESA”), CleanChoice Energy, Inc. (“CleanChoice”), and IDT Energy, Inc.

³ Maillog No. 323166.

for residential accounts, ending the gradual phase-out set forth by the Commission in Order No. 91463.

The Joint Utilities claim to have worked in good faith with the supplier community to establish a mutually agreeable non-POR framework by way of a workgroup established by Staff. Despite Staff's efforts at mediating negotiations, the meetings were not successful and have ended. As seen throughout 2025, the Joint Utilities continued to see a decline in residential supplier participation, with suppliers dropping residential customers.⁴

In light of the lack of a non-POR UCB replacement, the Joint Utilities are moving forward to cease offering UCB services by January 1, 2026 under the following plan:

- (1) the Joint Utilities will communicate with suppliers to remind them that all residential customers must be switched to dual billing or returned to electric Standard Offer Service or gas Sales Service prior to January 1, 2026;
- (2) the Joint Utilities will implement "rejection logic" into their systems to ensure no new residential UCB enrollments or switches are made;⁵
- (3) due to Code of Maryland Regulations (COMAR) 20.53.04.02 (electric) and COMAR 20.59.04.04 (gas), the Joint Utilities are limited as to when a utility may drop a customer from a supplier. However, the Joint Utilities are willing to provide Staff and/or the Commission with a list of suppliers and the associated customers who remain on UCB billing for enforcement. The Joint Utilities are also willing to manually drop customers, but require a Commission directive to do so;
- (4) the Joint Utilities will work with suppliers on a case-by-case basis to correct any inadvertent reinstatements; and
- (5) in accordance with long-standing billing practices, cancel/rebill and any delayed bills from periods prior to 2026 will be billed in kind (*i.e.*, the original bill type at time of usage) under POR where applicable.⁶

⁴ *Id.* at 1.

⁵ PE will not be implementing rejection logic. Rather, it will manually monitor enrollments. *Id.* at 2.

⁶ The discount rate used may not match with the rate applicable at the time of the original billing.

B. Responses from Parties

1. Staff's Response to Joint Utilities' Proposal

On November 26, 2025, Staff filed its Response to the Joint Utilities' October 9, 2025 proposal for discontinuing residential POR. Staff summarized the requirements of Senate Bill (“SB”) 1 and the negotiations that occurred between Staff and interested parties, pursuant to the directive of Order No. 91463 and the Commission's clarification of Order No. 91463 on February 6, 2025.⁷ Staff noted that the utilities' cessation of residential UCB does not foreclose future negotiations regarding non-POR UCB.

(a) Communication with Suppliers

In an effort to facilitate the transactions proposed by the Joint Utilities, Staff sent all suppliers information regarding how to access the utilities' data concerning which customers are on utility residential tariffs and also emphasized that customers on a non-residential retail supply contract but on a residential utility tariff are residential customers, for purposes of complying with SB 1 of 2024 and Order 91463.⁸

(b) Cancel/Rebill Adjustments

Regarding cancel/rebill issues, Staff generally agrees with the Joint Utilities' proposal. Staff states that a cancel/rebill is a type of bill adjustment that may be required for a variety of reasons, including a meter reading failure or error. Cancel/rebills for underbilling can generally occur up to a year after the original bill.⁹ Staff states that it is the longstanding practice of the utilities for cancel/rebills to be billed “like for like,” meaning that they will be billed through the same method as originally billed, including POR where

⁷ Maillog No. 315510.

⁸ Maillog No. 324838 at 6.

⁹ *Id.* at 7. *Citing* COMAR 20.50.04.04 (electric) and COMAR 20.55.04.04 (gas).

applicable. Staff notes, however, that utilities do not have a feasible alternative to “like for like” cancel/rebills even if some POR might slip into 2026. Staff supports the utilities’ interpretation of Order No. 91463’s prohibition on residential POR customers after December 31, 2025 as applying to the contract for supply, not when the contracted supply appears on the customer’s bill.¹⁰

(c) *POR Discount Rate*

Staff observes that Pepco and Delmarva currently do not have the technical ability to use the same discount rate for cancel/rebills as the rate applicable at the time of the original billing. Therefore, these two utilities have requested that the Commission permit them to use the existing residential POR discount rates which expire on December 31, 2025 for rebilling purposes through December 31, 2026. Staff recommends that the Commission require Pepco and Delmarva to use their current residential POR discount rates for any post-December 31, 2025 cancel/rebilling.¹¹

(d) *Reinstatements*

The Joint Utilities state they will work with suppliers on a case-by-case basis to correct reinstatements. Reinstatement can occur for customer accounts that are stopped and later reactivated because of issues such as cancelled moves by the customer and accounts closing in error. Staff supports the utilities working with suppliers to monitor and resolve issues that may arise related to residential reinstatements.¹²

¹⁰ *Id.* at 8.

¹¹ *Id.* at 9.

¹² *Id.* at 10.

(e) *The Joint Utilities' Requested Authority to Drop Customers to Default Service*

Currently, COMAR only allows utilities to drop customers from retail supply if (1) the customer is enrolled by another supplier, or (2) when the customer requests a drop after their supplier fails to implement the customer's drop request.¹³ In the event that a supplier fails to either drop or dual bill, the Joint Utilities have asked the Commission to expressly provide them authority with sufficient lead time to do this.

Staff agrees with the Joint Utilities that this is an issue that requires the Commission's express authorization. Staff recommends that the Commission issue an order that allows utilities to drop existing residential retail choice customers served under UCB/POR if the customer's supplier fails to either drop the customer to default service or switch to dual billing.¹⁴

Finally, Staff recommends that the Commission require utilities to report confidentially by February 28, 2026 the number of existing retail choice customers billed under UCB/POR for whom the supplier took no action and for whom the customer did not request a drop to default service.

2. OPC's Response to Staff and the Joint Utilities

On December 4, 2025, the Office of People's Counsel ("OPC") submitted its response to Staff and the Joint Utilities. OPC generally supports Staff's recommendations, with the exception of the recommendation that the reporting requirement on non-complaint suppliers be filed confidentially. OPC notes that the Maryland Public Information Act ("MPIA") determines whether filings at the Commission may be properly withheld as

¹³ *Id.*

¹⁴ *Id.* at 11. Additionally, Staff recommends that the Commission temporarily waive any utility tariff that might prohibit this action. *Id.* at 12.

confidential. OPC argues that no exemption under the MPIA shields from public disclosure, the names of non-compliant suppliers and the number of customers affected. OPC contends that a supplier's disregard for Commission orders should be brought to the public's attention.¹⁵

3. Retail Supplier Coalition Response

On December 12, 2025, the Supplier Coalition filed Comments regarding the Joint Utilities' plan to end all UCB by December 31, 2025 without a transition plan to a non-POR UCB billing option for customers. The Supplier Coalition again requested that the Commission take steps to preserve any further opportunities for residential choice and savings by directing a seamless transition to non-POR residential UCB.¹⁶

Commission Decision

Regarding the Joint Utilities' plan for POR rejections, bill reinstatements and notices to suppliers, the Commission agrees with the Joint Utilities' plan as it relates to these issues and as set forth in their filing.

Regarding authorization for the utilities to manually drop customers if suppliers fail to do so, the Commission instructs utilities to begin the process of manually dropping residential customers that have remained on POR, in violation of the January 1, 2026 deadline. The Commission affirms Staff's reminder and further reminds utilities and suppliers of Order No. 91463, which notes that "whether a customer should be classified as residential or non-residential is determined by each utility's Commission-approved tariff. The manner in which the property is used dictates whether a customer is classified as

¹⁵ OPC Response at 3.

¹⁶ The Supplier Coalition Comments at 2 (Dec. 12, 2025).

residential or non-residential, and the customer does not have the authority to dictate their classification.”¹⁷ The Commission temporarily waives any utility tariff provisions that might prohibit manual drops by utilities. Additionally, to facilitate a seamless transition from retail supply to default service, utilities shall notify remaining POR customers subject to manual drops that their rates will change to the prospective default rate. Utilities shall provide these notices to customers in a cost-effective manner.

Additionally, the Commission does not require the interim report recommended by Staff. However, by May 4, 2026, each utility is directed to submit a Final Report that lists: the total number of suppliers in its service territory that failed to drop customers by the January 1, 2026 deadline, either due to the supplier’s failure to proactively drop them or due to the supplier's failure to respond to a customer’s request to be dropped; the total number of residential customers in its service territory, by supplier, that remain on POR as of April 1, 2026; the total number of residential customers in its service territory, by supplier, that were not dropped by the January 1, 2026 deadline, either due to the supplier’s failure to proactively drop them or due to the supplier’s failure to respond to a customer's request to be dropped; and the total number of residential customers in its service territory, by supplier, that the utility has manually dropped. All supplier-specific information shall remain confidential and the total number of suppliers that failed to drop customers should be filed publicly. Finally, the Commission directs that Staff submit a report within six months of this Order, summarizing the utilities’ Final Report, including Staff’s recommendations as to any Commission authority that needs to be granted after POR ends. Staff’s summary and recommendations shall be public.

¹⁷ Order No. 91463 at 27, *Senate Bill 1: Accounts Receivable Related to Residential Electric and Gas Supply*, PC 65 (Dec. 30, 2024).

Regarding the requested authorization of Pepco and Delmarva to apply the current discount rate to bill adjustments rather than the rate in effect when the original bill was issued, the Commission grants the recommended authorization to avoid the unnecessary cost of implementing software identical to the other utilities.

Regarding the request by Pepco and Delmarva for authorization to discontinue accepting supplier charges for bill adjustments after December 31, 2026, the Commission directs that Pepco and Delmarva submit a filing within 30 days of this Order that justifies why the utilities should discontinue accepting these charges at the date certain. The Commission will decide on this matter after it reviews the filings.

II. MOTION TO STAY

A. Retail Supplier Coalition's Motion to Stay

On November 14, 2025, the Supplier Coalition filed a Second Renewed Motion to Stay, arguing that terminating residential UCB without a suitable replacement goes far beyond the letter and spirit of SB 1 and is not an unintended consequence of the legislation.

After summarizing Order No. 91463, the Supplier Coalition notes that the Commission has still not ruled on its January 27, 2025 and February 12, 2025 motions to stay Order No. 91463, absent a realistic alternative to UCB POR. In light of the ineffectiveness of negotiations with the Joint Utilities, the Supplier Coalition renews its request for a stay. The Supplier Coalition notes that from January 2024 through September 2025, over 230,000 electric residential shopping customers had their electric choice revoked and were returned to utility standard offer service—reducing the percentage of statewide choice customers from 12.8% to 3%.¹⁸

¹⁸ Supplier Coalition's second Renewed Motion to Stay at 2 (Nov. 14, 2025).

The Supplier Coalition identifies many challenges now facing suppliers that desire to continue serving Maryland residential customers, including SB 1's artificially low price caps for non-green electricity and natural gas products that have been below actual monthly SOS rates.¹⁹ Because the 12-month trailing SOS average rates are below actual SOS rates, a supplier cannot make an offer that is below the SOS rate, but above the price cap.²⁰

Additionally, the Supplier Coalition claims that discretionary Commission decisions, such as the Commission's approval of large increases to the residential POR discount rates as well as artificially low-price caps for green products have contributed to the exodus by Maryland customers from third-party suppliers.²¹

The Supplier Coalition requests that the Commission allow UCB to continue until a viable solution is reached. They contend that it is unfair to place the burden of alternatives on suppliers when their systems are not in play. They also claim a viable non-POR UCB program that is a reasonable alternative to what has been discussed can be obtained with coordination between suppliers, utilities and Staff.²²

Commission Decision

In Order No. 91463, the Commission stated:

Regarding non-POR UCB, the Commission is concerned that directing utilities to implement a non-POR UCB by a date certain may not be met with a receptive audience among Maryland's retail residential suppliers. Like the tepid interest in SCB, the Commission does not want Maryland ratepayers to pay the continued expenses that the utilities are incurring to provide non-POR UCB without some assurance that suppliers will use non-POR UCB should such a system be completed before January 1, 2026. The Commission therefore directs that as of January 1, 2026, Maryland utilities are no longer required to provide any UCB service to third-party suppliers.

¹⁹ *Id.* at 4.

²⁰ *Id.* at 5.

²¹ *Id.* at 6.

²² *Id.* at 8.

The utilities and suppliers are jointly to negotiate how non-POR UCB shall function, consider revisions to billing service agreements, and payment. Staff shall mediate this negotiation.²³

The parties attempted to negotiate a non-POR UCB alternative for several months and, as all parties acknowledge, these negotiations were ineffective. Although it is true that the suppliers were in a difficult bargaining position, the record provides no reason for the Commission to believe that further negotiations would lead to a consensus in the short term. As Staff noted, the end of UCB does not prohibit any continuing negotiations regarding non-POR UCB from continuing. The Commission agrees with Staff's assessment but will not direct that the parties negotiate further at this time. Therefore, the Commission denies the Supplier Coalition's motion to stay the Joint Utilities' implementation of the plan described above.

IT IS, THEREFORE, this 28th day of April, in the year Two Thousand Twenty-Six, by the Public Service Commission of Maryland, **ORDERED:**

(1) that the Joint Utilities' October 9, 2025 Plan for the Cessation of Residential Purchase of Receivables is hereby approved, subject to the exceptions set forth above; and

(2) that the Second Renewed Motion to Stay filed by the Supplier Coalition is hereby denied.

By Direction of the Commission,

/s/ Andrew S. Johnston

Andrew S. Johnston
Executive Secretary

²³ Order No. 91463 at 24.