

ORDER NO. 92599

In the Matter of the Review of Annual
Performance Reports on Electric Service
Reliability Filed Pursuant to COMAR
20.50.12.11

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BEFORE THE
PUBLIC SERVICE COMMISSION
OF MARYLAND

CASE NO. 9353

ORDER ON 2025 ELECTRIC RELIABILITY PERFORMANCE REPORTS

Before: Kumar P. Barve, Chair
Frederick H. Hoover, Jr., Commissioner
Bonnie A. Suchman, Commissioner
Odogwu Obi Linton, Commissioner
Ryan C. McLean, Commissioner

Issue Date: August 24, 2026

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Pursuant to the Maryland Electricity Service Quality and Reliability Act¹ and the Code of Maryland Regulations (“COMAR”) 20.50.12 *et seq.*, the Maryland Public Service Commission (“the Commission”) accepts the annual performance reports filed by Baltimore Gas and Electric Company (“BGE”), Potomac Electric Power Company (“Pepco”), Delmarva Power & Light Company (“Delmarva”), The Potomac Edison Company (“Potomac Edison”),² and Southern Maryland Electric Cooperative, Inc. (“SMECO”) (collectively the “Electric Companies”). The Commission also accepts the completion of certain Electric Company corrective action plans (“CAPs”) addressing failure to meet COMAR standards in 2024 as described herein. Pepco and Delmarva shall continue to report on the progress and effectiveness of completing their Periodic Equipment Inspections Standard CAPs from 2024 as described herein. The Commission also accepts certain Electric Company CAPs for failures to meet COMAR standards in 2025 as described herein. The Commission adopts certain reporting by the Electric Companies in future annual performance reports for BGE’s Motor Operated Switchgear (“MOS”) Program, the percentage of Vulnerable Individual (“VI”) customers notified and the percentage of successful notifications to VI customers as described herein. Finally, the Commission directs Staff to coordinate with the Maryland Office of People’s Counsel (“OPC”) and the Electric Companies to pursue standardized discovery requests that are triggered for reliability standard violations or when a utility’s actual spending materially differs from its budget, including the potential for budget category standardization, as described herein.

¹ Chapter 167 of the Acts of 2011 (codified at Public Utilities Article (“PUA”) §§ 7-213, 13-201, and 13-202 (West 2019)).

² Potomac Edison is a wholly owned subsidiary of FirstEnergy Corp. (“FirstEnergy”).

I. INTRODUCTION AND PROCEDURAL HISTORY

The Maryland Electricity Service Quality and Reliability Act requires that “each electric company provide its customers with high levels of service quality and reliability in a cost-effective manner, as measured by objective and verifiable standards.”³ In accordance with the Act, the Commission established service quality and reliability standards that are designed to improve reliability and ensure an objectively high level of performance tailored to each Electric Company. Specifically, the Commission enacted initial benchmark standards for service quality and reliability through Rulemaking 43 (“RM 43”).⁴ These standards are codified in COMAR 20.50.12 *et seq.*

The Commission concluded a second RM 43 rulemaking session in 2015, which set system-wide reliability standards for the Electric Companies to meet for the years 2016 through 2019. The Commission concluded a Rulemaking 67 (“RM 67”)⁵ rulemaking session in 2019, which set system-wide reliability standards for the Electric Companies to meet for the years 2020 through 2023. The Commission also concluded a Rulemaking 79 (“RM 79”)⁶ rulemaking session in 2023 to establish next-cycle reliability metrics for the years 2024 through 2027, which are the subject of this present Order.⁷

³ House Bill 391 (2011), 2021 Md. Laws, Ch. 167. Codified at PUA § 7-213 *et seq.*

⁴ See RM 43, *Revisions to COMAR 20.50—Service Supplied by Electric Companies—Proposed Reliability and Service Quality Standards*. The regulations became effective on May 28, 2012.

⁵ See RM 67, *Revisions to COMAR 20.50.01, COMAR 20.50.02, COMAR 20.50.03, and COMAR 20.50.12*.

⁶ See RM 79, *Revisions to Subtitles 50 and 85 of Title 20, Code of Maryland Regulations*.

⁷ On August 12, 2021, the Commission issued Order No. 89908, which established a work group on next-cycle reliability standards for the years 2024 through 2027, under Staff’s leadership. On March 22, 2022, Staff submitted proposed revisions to COMAR regulations as recommended by the work group. On December 2, 2022, Staff filed a petition for rulemaking to address the new targets and other proposed revisions to reliability regulations recommended by the RM 43 work group, which was docketed as RM 79. An initial rulemaking session was held in that docket on January 19, 2023, and a final rulemaking session was held on July 19, 2023, where the revisions were finally adopted and became effective on August 21, 2023.

The service quality and reliability standards address a wide range of performance categories, including system-wide reliability, poorest performing feeders, multiple device activation, service interruption, downed wire response, customer communication, and vegetation management. The 2025 reporting year, addressed herein, represents the 13th full year since these reliability standards were established in 2012.

COMAR 20.50.12.11 requires that each Electric Company under Commission jurisdiction serving 40,000 or more customers in Maryland submit an annual performance report by April 1 of each year that summarizes the electric service reliability results for the preceding year. As required by that regulation, on or before April 1, 2026, the Electric Companies filed their respective annual reports with the Commission,⁸ covering the period from January 1, 2025 through December 31, 2025.⁹ On April 8, 2026, the Commission issued a Notice of Hearing and Opportunity to Comment for the purpose of reviewing the Electric Companies' Annual Performance Reports and to determine whether the Electric Companies met the service quality and reliability standards adopted by the Commission.¹⁰ The Notice also provided an opportunity for parties to file written comments.¹¹

On July 10, 2026, Staff filed the Engineering Division's Review of Annual Performance Reports on Electric Service Reliability ("Staff Annual Review").¹² On July

⁸ Potomac Edison, BGE, Pepco, Delmarva and SMECO all filed their annual performance reports on April 1, 2026. *See* Maillog No. 328587 (Potomac Edison); Maillog No. 328576 (BGE); Maillog No. 328603 (Pepco); Maillog No. 328604 (Delmarva) and Maillog No. 328637 (SMECO). BGE filed an errata to its 2025 annual performance report on June 1, 2026. *See* Maillog No. 330684 (BGE).

⁹ The data provided by the Electric Companies in their reports covers the period from January 1, 2025 through December 31, 2025, with the exception of the Poorest Performing Feeder and Multiple Device Activation standards, where outage data is submitted that covers the 12-month period ending on September 30, 2025.

¹⁰ Maillog No. 328820.

¹¹ Written comments were required to be filed with the Commission's Executive Secretary by July 10, 2026.

¹² Staff Annual Review (Maillog No. 332089).

10, 2026, OPC also filed comments (“OPC Comments”).¹³ On July 28, 2026, the Commission conducted a legislative-style hearing (“annual performance hearing”) to review the Electric Companies’ Annual Performance Reports and to determine compliance with the service quality and reliability standards. Each party made a presentation to the Commission during the annual performance hearing and was available to answer Commission questions.

II. DISCUSSION

A. System-Wide Reliability Standards

COMAR 20.50.12.02D(1) sets forth the minimum standards with which each Electric Company must comply regarding system-wide reliability. Specifically, those regulations set targets for each Electric Company’s System Average Interruption Frequency Index (“SAIFI”)¹⁴ and System Average Interruption Duration Index (“SAIDI.”)¹⁵

The system-wide reliability data reported by the Electric Companies has historically excluded Major Outage Events (“MOEs”) pursuant to COMAR 20.50.12.02D.¹⁶ In 2025, two Electric Companies, BGE and Potomac Edison reported a

¹³ OPC Comments (Maillog No. 332035).

¹⁴ SAIFI represents how often customers on average experience an interruption in a given year. Mathematically, it is equal to the number of customer interruptions divided by the total number of customers serviced on the electric system.

¹⁵ SAIDI measures the total time that customers on average face interrupted service in a given year. It is equal to the number of customer interruption minutes divided by the total number of customers serviced on the electric system.

¹⁶ COMAR currently defines Major Outage Event as an event where: (i) “More than 10 percent or 100,000, whichever is less, of the electric utility’s Maryland customers experience a sustained interruption of electric service; and (ii) Restoration of electric service to any of these customers takes more than 24 hours. COMAR 20.50.01.03B(27). Prior to January 1, 2020, a Major Outage Event also included the declaration of a state of emergency by the federal, State, or local government in the utility’s service territory if the emergency involved interruption of electric service.

MOE.¹⁷ Electric Companies are also required to calculate SAIFI and SAIDI performance using the Institute of Electric and Electronic Engineers (“IEEE”) 2.5 Beta Method, which excludes Major Event Days.¹⁸ In 2025, all five Electric Companies reported experiencing IEEE Major Event Days.¹⁹ Specifically, BGE experienced eight, Pepco four, SMECO four, Delmarva four and Potomac Edison six Major Event Days in 2025.

The Commission finds that in 2025, four of the five Electric Companies fully met their SAIFI and SAIDI targets, with the exception of Potomac Edison.²⁰ Potomac Edison posted a SAIFI of 1.05 interruptions per customer, which is equal to its COMAR standard of 1.05. Potomac Edison also posted a SAIDI of 173.8 minutes, which is above its COMAR standard of 142.0. Pepco posted the lowest SAIFI, reporting 0.60 interruptions per customer, which is below its COMAR standard of 0.74. Pepco also posted the lowest SAIDI, reporting a duration of 56 minutes, which is below its COMAR standard of 68.4. The Electric Companies reported SAIDI and SAIFI numbers and targets are provided in Table 1 below:

¹⁷ Staff Annual Review at 98.

¹⁸ The 2.5 Beta Method was developed by IEEE with the intent of providing a mechanism to remove extraordinary events, known as “outliers,” by defining a Major Event Day with respect to distribution reliability performance. The method is known as the 2.5 Beta Method because, based on daily SAIDI, the statistical formula uses events greater than 2.5 standard deviations to define Major Event Days. The year 2025 marks the sixth year that Electric Companies were required to calculate SAIFI/SAIDI performance using the IEEE 2.5 Beta Method (Staff Annual Review at 12). The Electric Companies are also required to report performance using the COMAR method that excludes MOEs.

¹⁹ Staff Annual Review at 11, Table 2.

²⁰ *Id.* at 12, Table 3.

Table 1: 2025 SAIFI and SAIDI Reported vs. Standard

Utility	SAIFI		SAIDI	
	Reported	COMAR Standard	Reported (Minutes)	COMAR Standard (Minutes)
BGE	0.71	0.84	78.1	87.0
Delmarva	0.78	1.03	72.0	77.4
Potomac Edison	1.05	1.05	173.8	142.0
Pepco	0.60	0.74	56.0	68.4
SMECO	1.26	1.27	117.7	132.7

Staff’s review of the 2025 outage-type records indicates that the primary drivers of outages were similar across the Electric Companies, particularly vegetation, weather-related exposure, and overhead line equipment. In several cases, the record also indicates that off right-of-way trees, conductor issues, and storm-related restoration challenges continued to contribute materially to customer outage minutes.²¹

Potomac Edison proposed a CAP in 2024 for a failure of both the SAIFI and SAIDI standards, which contained three components: (1) Substation Animal Mitigation, (2) Targeted Distribution Automation (“DA”), specifically at the Wilson Substation and (3) Leveraging Battery Energy Storage System (“BESS”) at Town Hill substation. For its 2025 CAP, Potomac Edison plans to continue to refine two actions from its 2024 CAP: to restore its DA schemes to full operational capability, and to ensure fault-free BESS operations. Potomac Edison claims that weather has been one of its biggest challenges and has played a factor in the company’s ability to provide reliable electric service to its customers. Potomac Edison states that the deteriorating soil conditions were unexpected, which caused

²¹ *Id.* at 93-97.

uprooting of trees from shallow grounds. As an added measure of its 2025 CAP, Potomac Edison plans to update its decision-support tool in its circuit selection process in order to improve the effectiveness of its vegetation management) activities. This tool, known as Advanced Vegetation Analytics Tool, is a machine-learning enabled model to analyze risk and will be used to support circuit prioritization for vegetation management work.

Staff reviewed Potomac Edison's CAP for not meeting its 2025 SAIDI target and has some concerns regarding the extent to which Potomac Edison's 2025 CAP will make significant improvements. Consequently, Staff recommends that Potomac Edison submit an interim filing of its 2026 year to date ("YTD") performance of SAIFI and SAIDI and provide quantitative analysis of the effectiveness of its corrective actions. Staff recommended that should Potomac Edison continue to face challenges in meeting its 2026 system-wide standards, the Commission should consider taking further action.²²

OPC reviewed Potomac Edison's CAP for not meeting its 2025 SAIDI target and has similar concerns to Staff regarding the extent to which Potomac Edison's 2025 CAP will make significant improvements. However, OPC states that Potomac Edison's continued SAIDI standard noncompliance warrants a \$225,000 civil penalty,²³ since the

²² Staff Annual Review at 63.

²³ OPC provides the following rationale for its recommended \$225,000 civil penalty: "For performance-based standards such as SAIDI, the penalty analysis should begin with the statutory violation, the duration of the violation, and the magnitude of the utility's noncompliance....[B]y the end of September 2025, Potomac Edison had accumulated 142.0 minutes of SAIDI, equal to its full annual SAIDI allowance. Potomac Edison then accumulated an additional 8.7 minutes in October, 14.1 minutes in November, and 9.7 minutes in December. Using October 1 through December 31 as a conservative period of continuing noncompliance, Potomac Edison's potential statutory exposure would be 92 days multiplied by \$25,000 per day under PUA § 13-201, or \$2.3 million. OPC does not recommend that the Commission assess the maximum potential penalty. Instead, OPC recommends that the Commission calibrate the penalty to the magnitude of Potomac Edison's exceedance. Potomac Edison's 2025 SAIDI was 173.8 minutes against a standard of 142 minutes. Potomac Edison therefore exceeded the standard by 31.8 minutes, or approximately 22.4 percent. OPC recommends using \$10,000 for each percentage point by which Potomac Edison exceeded the applicable SAIDI standard. Applying that benchmark to Potomac Edison's 22.4 percent exceedance produces a penalty

company failed to meet its 2025 SAIDI standard for the second consecutive year and that Potomac Edison's 2025 SAIDI CAP is insufficient in that it does not demonstrate how Potomac Edison will return to compliance. Finally, OPC recommended that the Commission: (1) assess a \$225,000 civil penalty for Potomac Edison's 2025 SAIDI violation; (2) reject Potomac Edison's 2025 SAIDI CAP as insufficient; (3) direct Potomac Edison to file within 30 days a revised CAP that identifies the expected SAIDI reduction, expected cost, implementation schedule, alternatives considered, and effectiveness metrics for each proposed corrective measure; and (4) require Potomac Edison to compare actual SAIDI reductions and actual costs against those estimates in its next annual reliability report.²⁴

The Commission denies OPC's recommendation and partially denies Staff's recommendation for an interim filing of its 2026 YTD performance of SAIFI and SAIDI and quantitative analysis of the effectiveness of its corrective actions. In making this determination, the Commission is persuaded by the testimony at the annual performance hearing where Potomac Edison's Director of Engineering, Ronay Tenney, displayed the following graph in Figure No. 1, which shows, in conjunction with Ms. Tenney's testimony, that weather had a significant impact on Potomac Edison's SAIFI and SAIDI performance in 2025. Specifically, she testified that a "significant increase in the number of days and number of incidents where the wind has gusted for greater than 40 miles an hour, and this is unprecedented. You can see the historical numbers that go back many

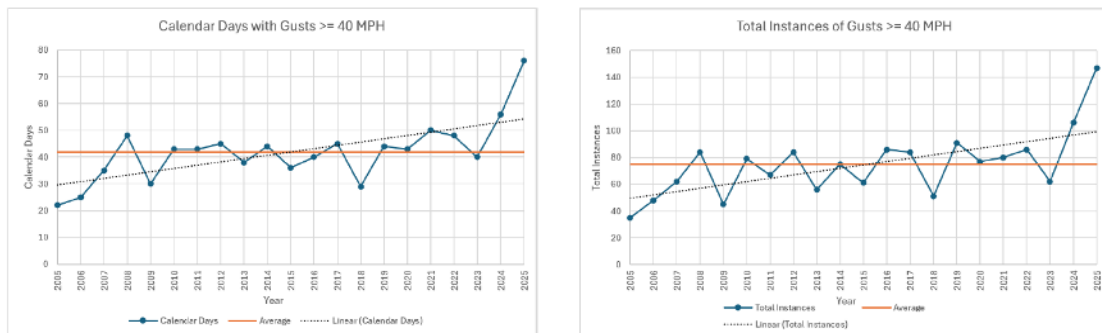
of approximately \$224,000. OPC recommends rounding that amount to \$225,000." OPC Comments at 90-91.

²⁴ *Id.* at 92-93.

years on these charts where there were many less days of 40 mile an hour wind gusts in the Potomac Edison Territory.”²⁵

Figure No. 1 - 2025 Potomac Edison Weather

2025 Potomac Edison Weather



The Commission agrees with Potomac Edison’s observation that “weather has been one of its biggest challenges and has played a factor in the company’s ability to provide reliable electric service to its customers.”²⁶ It is clear from Potomac Edison’s presentation during the annual performance hearing that there was a significant increase, almost doubling the number of days and number of incidents in 2025, as compared to a baseline from prior years, where the wind has gusted for greater than 40 miles an hour. This increase in adverse weather is likely a causal factor in Potomac Edison not meeting its SAIDI target in 2025.

²⁵ Hr'g. Tr. at 74 (Tenney).

²⁶ Staff Annual Review at 13.

Therefore, the Commission is not inclined to direct additional CAP measures, including levying civil penalties, before it is confirmed if Potomac Edison's recent weather anomalies are a long-term trend. Therefore, the Commission accepts Potomac Edison's CAP and directs Potomac Edison to report on the CAP's progress and effectiveness in its annual performance report due April 1, 2027. Should Potomac Edison continue to not meet its 2026 system-wide reliability standards, Potomac Edison should be fully prepared to propose additional corrective actions that are supported by a quantitative analysis of the expected benefits of these measures in achieving Potomac Edison's targets in its annual performance report due April 1, 2027.

Staff also examined the relative performance of Maryland's investor-owned utilities regarding SAIFI and SAIDI based on a national benchmarking of investor-owned utilities. Staff determined that BGE, Pepco, and Delmarva each performed in the top quartile of their peers for SAIFI and SAIDI, while Potomac Edison's 2025 SAIFI performance falls in the 3rd quartile and Potomac Edison's 2025 SAIDI performance falls in the 4th quartile of its peers.²⁷ SMECO indicated that it looked into the availability of reported benchmarking data from other-area large distribution cooperatives and 2025 benchmarking data is not available.²⁸

Staff conducted several trend analyses for the reporting year to measure how the Electric Companies' system-wide reliability has changed over time, including a three-year trend analysis. Staff indicated that "[i]n 2025 BGE is the only Electric Company that performed better than its three-year average SAIFI or SAIDI. DPL's performance is

²⁷ *Id.* at 14, Table 4.

²⁸ *Id.* at 14.

roughly holding steady during the three-year span. The other three, PE, Pepco and SMECO, performed worse than their respective three-year averages and appear to be declining.”²⁹

Staff also performed a rolling two-year analysis to evaluate Electric Companies’ performance during the reporting year. Staff indicated that the “[t]he SAIFI two-year trend generally shows continued improvement in reliability for BGE and Pepco, though Pepco experienced a slight uptick in the 2024-2025 average. Delmarva and SMECO also showed an increase in their recent two-year averages. PE’s SAIFI trend continued to rise in the 2024-2025 period, indicating a decline in reliability.”³⁰

Staff also evaluated the Electric Companies using the Customer Average Interruption Duration Index (“CAIDI”). CAIDI measures the average time required to restore service to customers per interruption.³¹ For 2025, BGE’s CAIDI was 110.5 minutes, Delmarva’s CAIDI was 93 minutes, Potomac Edison’s CAIDI was 165.6 minutes, Pepco’s CAIDI was 91.4 minutes and SMECO’s CAIDI was 97.32 minutes.³² For 2025, two Electric Companies (Delmarva and SMECO) performed better than their three-year average CAIDI.³³ Similarly, for 2025, CAIDI performance was worse than the two-year average for all Electric Companies except for Delmarva and SMECO.³⁴

Finally, Staff provided a metric for measuring resilience, SAIDI^{MED}, which is the SAIDI that a system experiences during Major Event Days, and which “can be a useful measure of that system’s resiliency.”³⁵ Staff stated that “SAIDI^{MED} represents the total time

²⁹ *Id.* at 15. Staff’s Annual Review refers to Potomac Edison as “PE” and Delmarva as “DPL.”

³⁰ *Id.* at 18.

³¹ CAIDI is calculated by dividing the number of customer interruption minutes by the number of customer interruptions. *Id.* at 7.

³² Staff Annual Review at 12, Table 3.

³³ *Id.* at 17.

³⁴ *Id.* at 20, Table 9.

³⁵ *Id.* at 109.

customers on average did not have service during Major Event Days in a given year. The lower the Electric Company's SAIDI^{MED}, the more resilient its electrical distribution system is to the major events that affected it during a given time period."³⁶

Analyzing each Electric Company's five-year average SAIDI^{MED}, Staff found that "the resilience of the Delmarva Power and Pepco distribution systems are quite a bit better than the statewide average while the resilience of the BGE and SMECO distribution systems are quite a bit worse than the statewide average."³⁷ Staff provided that it "makes no conclusions regarding the need for resilience programs at any Electric Company absent more data and perhaps industry benchmarking of this proposed SAIDI^{MED} metric."³⁸

B. Additional Reliability Indices

In addition to reporting SAIDI, SAIFI, and CAIDI, COMAR 20.50.12.05 requires that the Electric Companies calculate and report to the Commission two additional reliability indices. Specifically, Electric Companies must report Customers Experiencing Multiple Interruptions ("CEMI_n")³⁹ and Momentary Average Interruption Frequency Index ("MAIFI_E").⁴⁰ CEMI_n measures the ratio of customers experiencing multiple sustained interruptions against the total number of customers served on the system⁴¹ and MAIFI_E measures the ratio of the total number of momentary interruption events against the total

³⁶ *Id.*

³⁷ *Id.* at 111.

³⁸ *Id.* at 112.

³⁹ CEMI_n is calculated as the ratio of the total number of customers experiencing sustained interruptions equal to or greater than "n," where n is the number of interruptions, divided by the total number of customers served.

⁴⁰ MAIFI_E is calculated as the ratio of the total number of customer momentary interruption events divided by the total number of customers served, where E is equal to the number of interruption events.

⁴¹ This number includes customers experiencing two or more, four or more, six or more, or eight or more interruptions.

number of customers served on the system. MAIFI_E records multiple circuit operations that occur close to each other in time as a single event. It is helpful in indicating whether companies that report lower SAIFI are doing so at the expense of increased momentary outages.⁴² If an Electric Company is unable to provide either of these calculations, it must present to the Commission a reason why, as well as an estimate of the cost to provide the information in the future.⁴³

In 2025, BGE, Pepco, SMECO, and Delmarva reported MAIFI_E performance.⁴⁴ BGE's MAIFI_E performance improved slightly from 3.49 in 2023 to 3.19 in 2024. Delmarva's MAIFI_E performance significantly improved from 1.17 in 2023 to 0.62 in 2024. Pepco's MAIFI_E performance improved from 1.64 in 2023 to 1.18 in 2024. SMECO's MAIFI_E performance improved from 0.62 in 2023 to 0.53 in 2024.

BGE's MAIFI_E performance slightly improved from 3.19 in 2024 to 2.91 in 2025. Delmarva's MAIFI_E performance slightly worsened from 0.62 in 2024 to 1.07 in 2025. Pepco's MAIFI_E performance worsened from 1.18 in 2024 to 1.55 in 2025. SMECO's MAIFI_E performance worsened from 0.53 in 2024 to 1.21 in 2025.

Potomac Edison reported MAIFI performance data instead of MAIFI_E data.⁴⁵ Potomac Edison stated it "is able to report MAIFI, but not MAIFI_E. While other utilities may utilize advanced metering infrastructure ("AMI") for this calculation, [Potomac

⁴² Staff Annual Review at 32. Staff asserts: "Utilities utilizing smart grid technology and advanced distribution automation (DA) often report lower SAIFI at the expense of higher MAIFI_E, as sustained outages are successfully converted into momentary interruptions." Staff Annual Review at 28.

⁴³ See COMAR 20.50.12.05B; *see also* COMAR 20.50.12.05C.

⁴⁴ Staff Annual Review at 33, Table 12.

⁴⁵ MAIFI alone does not differentiate between the number of interruption events - it simply records every individual circuit operation. For that reason, the Commission notes that MAIFI_E is a better metric to assess customer experience than MAIFI. For example, electric utility system protection schemes may operate circuit devices several times to clear an electrical fault as part of one event, which MAIFI_E would recognize, but MAIFI would not.

Edison] must rely on gathering data by manually reading counters from line reclosers annually.”⁴⁶ Potomac Edison’s MAIFI performance worsened from 9.73 in 2024 to 11.36 in 2025.

All Electric Companies reported CEMI_n data for 2025. Prior to 2023, COMAR defined CEMI_n as the average number of customers experiencing more than “n” sustained interruptions (*i.e.*, n+1 or more interruptions in a calendar year). During the 2023 reporting year, the Commission adopted the IEEE definition, which defines CEMI_n as the ratio of individual customers experiencing “n” or more sustained interruptions.⁴⁷

In 2025, “SMECO had the highest percentage of customers experiencing multiple interruptions at the lower thresholds, leading the state with a CEMI₂ of 40.86% and a CEMI₄ of 11.48%. [Potomac Edison] had the highest percentage of customers experiencing chronic outages at the more severe thresholds, recording the highest values for CEMI₆ (3.40%) and CEMI₈ (1.10%). Pepco performed the best across the board, maintaining the lowest CEMI_n metrics across every single category: CEMI₂ (17.74%), CEMI₄ (2.61%), CEMI₆ (0.29%), and CEMI₈ (0.04%). BGE performed relatively well at higher outage frequencies, tracking right behind Pepco with a CEMI₆ of 0.92% and a CEMI₈ of 0.17%. [Delmarva] tightly mirrored BGE at the initial entry threshold with a CEMI₂ of 22.34% (compared to BGE's 22.25%) but saw a slightly higher drop-off at CEMI₄ (5.39%) and CEMI₆ (1.19%).”⁴⁸

The Commission finds that all Electric Companies are currently in compliance with MAIFI_E and CEMI_n reporting requirements. The Commission will closely monitor all

⁴⁶ Maillog No. 328587 at 6, fn. No. 2.

⁴⁷ See RM 79, *Revisions to Subtitles 50 and 85 of Title 20, Code of Maryland Regulations*.

⁴⁸ Staff Annual Review at 31-32.

reliability indices, including CAIDI, CEMI_n, and MAIFI_E, which are not subject to any COMAR standards or minimum thresholds, to determine if additional standards should be implemented. However, the Commission does not find that such standards are warranted at this time.

C. Poorest Performing Feeder Standards

The Poorest Performing Feeder (“PPF”) Standard requires that Electric Companies report SAIDI, SAIFI, and CAIDI indices for all feeders assigned to Maryland that are identified by the utility as having the poorest feeder reliability, defined as “all feeders having circuit reliability performance 250 percent or more above the utility’s System-Wide SAIFI and SAIDI”⁴⁹ The PPF Standard further provides that “no feeder shall appear in a utility’s list of poorest performing feeders during three consecutive 12-month reporting periods, unless the utility has undertaken reasonable remediation measures to improve the performance of the feeder.”⁵⁰

Staff reported that the number of PPFs in 2025 was generally comparable to the previous year. “Compared to 2024 when the Maryland Electric Companies collectively reported 54 PPF out of a total 2,787 feeders, – where 1.9 percent of the feeders performed poorly – 2025’s 55 reported PPFs appears to be consistent compared to the previous year.”⁵¹

⁴⁹ COMAR 20.50.12.03A(1) and A(3). The PPF Standard was most recently updated in RM 63, in a final rulemaking session held on September 18, 2018. See RM 63, *Revisions to COMAR 20.50.12.03–Service Supplied by Electric Companies–Poorest Performing Feeder Standard*.

⁵⁰ COMAR 20.50.12.03A(4). The current PPF standard is in its seventh year since the Commission adopted COMAR revisions in RM 63, *Service Supplied by Electric Companies–Service Quality and Reliability Standards–Poorest Performing Feeder Standard*. See COMAR 20.50.12.03, revision October 2018. The standard is designed to identify feeders that are significant outliers in performance.

⁵¹ Staff Annual Review at 24.

BGE and Delmarva reported two repeat PPFs and Pepco reported one for 2025. Each of the Electric Companies is therefore required to submit a CAP.

Staff reported that BGE submitted a CAP for its two repeat PPFs from CY2025.⁵² The pair (Feeders 7132 and 7130) are both located at the Hereford Substation and are ranked among the longest feeders in the BGE service territory. Staff reports that the relatively low customer density makes it more difficult to concentrate reliability improvements among a robust number of customers. BGE concluded that vegetation contact with overhead infrastructure was the leading outage cause of both feeders. BGE's corrective actions include expediting routine vegetation trimming to 1Q2026 furthering its remediation actions from vegetation management inspection, as was implemented in the 2024 reporting period. BGE also reported that it completed trimming cycles for both feeders as of late June 2026. Additional CAP actions include large tap reclosing DA and new automated ties to another feeder. BGE also identified the new Mount Carmel 230kV - 13kV substation for future capacity increase expected to be complete in 2034 to improve the reliability of both feeders.⁵³

Regarding Delmarva, it reported two repeat PPFs for CY2025. Both feeders experienced fewer outages than in 2024 but SAIFI and SAIDI declined, despite 2023-25 spending totaling over \$1.5 million at each of these two feeders.⁵⁴ Vegetation trimming was completed in 2025 for one of the feeders—Feeder MD0343. A 34kV recloser replacement is part of Delmarva's CAP for feeder MD3461, scheduled to be completed in 2026. Also, for MD3461, a DA scheme is being implemented to render better visibility of

⁵² *Id.*

⁵³ *Id.* at 25.

⁵⁴ *Id.*

situation awareness with relation to its neighboring feeder that is fed from another utility, PECO.⁵⁵

Regarding Pepco, Staff reported that the company submitted a CAP for Feeder 15744 of Toaping Castle 173 Substation, its sole repeat PPF. Pepco's SAIDI measured well in excess of ten hours. When compared with its 2023 and 2024 performances, it doubled in SAIDI and more than tripled in SAIFI when compared to 2024. This feeder only supports 33 customers, mostly commercial. Pepco's 2023-25 analysis indicated that most outages were caused by overhead equipment. Pepco's CAP involves replacing 12 poles and 12 crossarms, as well as installing one auto recloser.⁵⁶

Staff found the CAPs for BGE, Delmarva and Pepco to be reasonable.⁵⁷ At this time, OPC does not recommend a penalty regarding BGE, Pepco, and Delmarva's repeat PPF non-compliance. However, OPC recommends that the Commission adopt certain improvements to repeat PPF CAP reporting. Specifically, OPC recommends that these Electric Companies report:

- (a) the number of customers affected by outages and the customer outage minutes experienced;
- (b) the causes of outages and detailed discussion of any trends in outage causes and the reasons for any such trends;
- (c) an explanation of how proposed investments will address outage causes;
- (d) projected costs for each of the proposed investments and the anticipated SAIDI and SAIFI improvements;
- (e) a discussion of the relationship between past work, present issues, and proposed solutions;
- (f) a discussion of lower-cost alternatives considered, including targeted operation and maintenance ("O&M") alternatives such as enhanced vegetation

⁵⁵ *Id.*

⁵⁶ *Id.*

⁵⁷ *Id.*

management, off-cycle trimming, inspections, maintenance, equipment repair, or other non-capital measures; and

- (g) if the utility does not quantify expected SAIDI or SAIFI improvements for a proposed measure, an explanation of why the improvement cannot be quantified and what information the utility used to determine that the measure is reasonable.⁵⁸

At this time, the Commission does not mandate the use of the repeat PPF CAP reporting proposed by OPC. However, as discussed in Section II(Q) of this present Order, the Commission encourages their use where appropriate and directs Staff to coordinate with the OPC and the Electric Companies to consider standardized discovery requests that may include some or all of OPC's recommendations.

D. Multiple Device Activation Standard

COMAR 20.50.12.04 requires each Electric Company to report the number of protective devices that activated five or more times during the applicable reporting period which caused sustained interruptions in electric service, including during MOEs, to more than 10 Maryland customers.⁵⁹ The Electric Companies are required to implement reasonable remediation measures to reduce the number of activations and describe these measures in their annual performance reports. In RM 79 in 2023, the Commission approved proposed revisions to the COMAR 20.50.12.04 Multiple Device Activation Standard that mirror the PPF standard. COMAR 20.50.12.04D now states: "For each device referenced in §A of this regulation, the device shall not experience five or more activations, including all customer sustained interruption data, during three consecutive 12-month reporting

⁵⁸ OPC Comments at 68-69.

⁵⁹ COMAR 20.50.01.03B(50) provides that protective devices include substation breakers and reclosers, line reclosers, line sectionalizing equipment, and line fuses.

periods, unless the utility has undertaken reasonable remediation measures to improve the performance of the device.”

Compared to the 2024 reporting period where 36 protective devices activated five or more times, in the 2025 reporting period, there were only 25 devices on this list.⁶⁰ BGE reported the largest number of multiple device activations (“MDAs”) among Electric Companies, with 11 MDAs, followed by Potomac Edison and Delmarva with 5 MDAs each. Pepco and SMECO reported 2 MDAs each. Line or tap fuse activations represented the largest number of MDAs (14), with BGE reporting 5 such activations. The Electric Companies also reported 7 recloser activations in total, with BGE reporting the most with 5. Circuit breakers were activated 4 times, with Potomac Edison reporting 2 circuit breaker MDAs. No Electric Company reported substation or transformer device activations in 2025. In 2025, the Electric Companies reported that they experienced no *repeat* MDAs.

Staff stated that: “All five Electric Companies proposed and are implementing remedial actions that include cable replacement, transformer replacement, switch replacement, selective undergrounding, and vegetation management.” Staff reviewed the Electric Companies’ remedial actions to address MDAs and concluded that “they are acceptable.”⁶¹

E. Service Interruption Standards

COMAR 20.50.12.06A requires that Electric Companies restore service within eight hours, from the time when the utility knew or should have known of an outage, to at

⁶⁰ Staff Annual Review at 26.

⁶¹ *Id.* at 27.

least 92% of their customers that experienced sustained interruptions during normal conditions. Additionally, COMAR 20.50.12.06B provides that Electric Companies must restore service within 50 hours to at least 95% of their customers experiencing sustained interruptions during MOEs, where the total number of sustained interruptions is less than or equal to 400,000 or 40% of the Electric Company's total number of customers, whichever is less. An Electric Company is required to restore service as quickly and safely as permitted to its customers experiencing sustained interruptions during each MOE in which the total number of sustained interruptions is greater than 400,000, or 40% of the utility's total number of customers, whichever is less.⁶²

In 2025, "all Electric Companies met the requirements for normal conditions."⁶³ Delmarva posted the highest restoration rate, restoring 98.57% of customers who experienced sustained interruptions during normal conditions within eight hours, followed by SMECO (at 97.9%) and Pepco (at 98.26%). BGE restored 92.0% and Potomac Edison restored 96.4% of customers who experienced sustained interruptions during normal conditions within eight hours.⁶⁴

In 2025, two Electric Companies experienced MOEs, BGE and Potomac Edison. BGE restored 99 percent of customers experiencing sustained interruptions within 50 hours in its MOE. During its April 2025 MOE, Potomac Edison was only able to restore 90.51 percent of customers experiencing sustained interruptions within 50 hours. As required, Potomac Edison filed a CAP. "[Potomac Edison] stated in its CAP that, due to severe weather impacts, including road closures, damage assessment was delayed and restoration

⁶² COMAR 20.50.12.06D.

⁶³ Staff Annual Review at 33.

⁶⁴ *Id.*, Table 16.

activities were extended. Additionally, the storm's occurrence, location, and intensity were not anticipated for the service territory in advance, resulting in reactive mobilization of restoration resources, rather than being pre-staged at elevated levels prior to the onset of damage.”⁶⁵ Potomac Edison's CAP includes: (1) earlier activation of the 50-hour restoration prioritization: (the Company will implement procedural enhancements to better identify when storm scope and damage conditions warrant a shift in restoration strategy toward customers at risk of exceeding 50 hours without service); (2) enhanced damage assessment and hazard response execution; (3) improved resource scalability for low-forecast, high-impact events; (4) strengthened restoration coordination and situational awareness; and (5) performance monitoring and continuous improvement.⁶⁶

Staff stated that it finds Potomac Edison's CAP to be reasonable but will continue monitoring and evaluating the results of the Electric Company's implementation of these corrective measures to assess its effectiveness during future MOEs.⁶⁷ In contrast, OPC concluded that Potomac Edison's CAP addressing its failure to meet the MOE restoration standard needs revising. OPC stated: “Though PE stated in its CAP that it is adjusting its procedures to better identify when its restoration strategy should shift, PE did not provide detail on the strategy or procedure that led to the mis-prioritization in the first place.”⁶⁸ Accordingly, OPC recommended that the Commission require Potomac Edison to file additional information related to the changes in protocols it plans to implement in an effectiveness update. The filing should include the original protocol, any changes, and the

⁶⁵ *Id.* at 34.

⁶⁶ Potomac Edison's CAP is more fully explained in Staff's Annual Review at 34-35.

⁶⁷ Staff Annual Review at 35

⁶⁸ OPC Comments at 95.

metrics Potomac Edison used to evaluate its MOE restoration performance. Nevertheless, OPC does not recommend a civil penalty for Potomac Edison's MOE restoration failure at this time.⁶⁹

Potomac Edison stated in its annual performance report that its "[r]estoration activities initially focused on addressing large customer outages and critical infrastructure needs, while later stages of the restoration required increased attention to customers at risk of prolonged outages."⁷⁰ The Electric Company stated that the timing of this operational shift limited the ability to fully optimize restoration sequencing for customers approaching the 50-hour threshold.⁷¹ At the annual performance hearing, Dave Bedard, Manager of Engineering Services, further explained that:

[W]ith us missing the 50-hour rule for service interruption standard, we implemented some processes for earlier activation of our process for the 50-hour rule. So what we saw in 2025 during that major outage event was that we projected initially that we weren't going to exceed 10 percent of our customers, but well into the storm it turned out that we did exceed 10 percent. So we weren't able to obviously retroactively apply the processes. So we should have made that identification earlier in the storm so we could have prioritized outages based on duration and not so much by the customers impacted. So we have put some notification tools in place to capture that and to notify operations sooner so that we can change processes to the one that better meets the 50-hour rule. And I will say we've had one major outage event so far in 2026, and we did achieve 100 percent customers restored in 50 hours or less in that event.⁷²

The Commission finds Potomac Edison's explanation and CAP reasonable to address its MOE Service Interruption Standard failure and accepts its CAP. With only one MOE success experienced at this time under this CAP, the Commission will continue to

⁶⁹ *Id.* at 96.

⁷⁰ Maillog No. 328587 at 17.

⁷¹ *Id.*

⁷² Hr'g. Tr. at 77-78 (Bedard).

monitor Potomac Edison's future MOE Service Interruption Standard performance to determine if additional actions are required.

F. Downed Wire Response Standard

COMAR 20.50.12.07A requires that each Electric Company respond to a government emergency responder-guarded downed electric utility wire within three hours after notification by a fire department, police department, or 911 emergency dispatcher at least 90% of the time.⁷³ This Standard was revised in 2019 to become more stringent, with 2020 representing the first full year of implementation of the new standard.⁷⁴ COMAR 20.50.12.07D provides that each Electric Company shall exercise reasonable care to reduce the potential hazard caused by a downed electric wire to which its employees, its customers, and the general public may be subjected.

All five Electric Companies met the Downed Wire Response Standard for 2025. Each Company responded to at least 90% of government emergency responder-guarded downed electric wires within three hours.⁷⁵ Staff stated that although all Electric Companies remained compliant with the 90 percent standard, "the 2025 record reflects a weaker year-over-year trend for several companies."⁷⁶

⁷³ The Commission has previously observed: "Given the potentially life-threatening nature of downed wires, compliance with this standard is imperative." Order No. 89056, *In the Matter of the Review of Annual Performance Reports of Electric Service Reliability Filed Pursuant to COMAR 20.50.12.11*, Case No 9353, (Mar. 6, 2019) at 26.

⁷⁴ On November 6, 2019, pursuant to RM 67, the Commission adopted the new three-hour downed wire response standard, which requires Electric Companies to report their downed wire response information under the enhanced standard beginning December 2, 2019. Maillog No. 227390. Prior to RM 67, the regulation required a response within four hours.

⁷⁵ Staff Annual Review at 36, Table 17.

⁷⁶ *Id.*

Although total downed wire response greater than or equal to eight hours, which includes downed wire response during normal conditions, is not a current standard, Staff reviews this data annually. BGE experienced 3,994 downed wires with greater than or equal to 8 hours response in 2025 as compared to 3,461 in 2024. Similarly, Pepco experienced 164 downed wires with greater than or equal to 8 hours response in 2025 as compared to 45 in 2024. Delmarva (19 in 2025 compared to 1 in 2024) and Potomac Edison (17 in 2025 compared to 6 in 2024) also experienced increases.⁷⁷ Staff further stated that “the data show greater operational strain than was shown in 2024, particularly for BGE, [Potomac Edison], Pepco, and Delmarva.” Staff noted that the “8 hours or more” category in the normal-conditions downed-wire provides an indicator of the longest response time in company performance.”⁷⁸ Furthermore, Staff stated that the Electric Companies “should keep working to reduce the number of incidents falling into the 8 hours-or-more category by improving storm mobilization, field deployment, dispatch practices, and coordination with government emergency responders during large-scale events.”⁷⁹

G. Customer Communications Standards

COMAR 20.50.12.08 sets standards for customer communications metrics, which include standards for the percentage of calls answered within 30 seconds and for the percentage of calls abandoned by the customer. COMAR 20.50.12.08A requires that, on an annual basis, each Electric Company answer within 30 seconds, at least 75% of all calls placed to the Electric Company for customer service or outage reporting purposes. Staff

⁷⁷ *Id.* at 36, Table 17

⁷⁸ *Id.* at 38.

⁷⁹ *Id.*

reported that all five Electric Companies satisfied the formal COMAR customer communication standards in 2025.⁸⁰ SMECO posted the highest answered-call rate at 96.02%. The answered-call rate of Potomac Edison was 91.0%. Pepco and Delmarva answered 86.8% and 90.8%, respectively, of calls placed to them for customer service or outage reporting purposes within 30 seconds. BGE posted the lowest answered-call rate at 80.9%.⁸¹

COMAR 20.50.12.08 provides that each Electric Company must achieve an annual average abandoned call rate of 5% or less. All Electric Companies successfully met this Standard in 2025. SMECO reported the lowest abandoned call rate at 1.01%. Pepco's and Delmarva's abandoned call rates were 1.86% and 1.20%, respectively. BGE reported the next lowest abandoned call rate at 3%. Potomac Edison's abandoned call rate was 4.71% in 2025.⁸²

In Order No. 89260, the Commission found that the current Customer Communication metrics “do not fully demonstrate whether a customer’s concerns are being resolved during the communication process ... [and that] it is important to prevent backsliding regarding the Customer Communication standards.”⁸³ The Commission therefore directed Staff to convene a work group to address the Customer Communication Standards and tasked the work group with proposing “shared best practices” for Electric Companies when handling customer communications.

⁸⁰ *Id.*

⁸¹ *Id.* at 39, Table 18.

⁸² *Id.*

⁸³ Case No. 9353, *In the Matter of the Review of Annual Performance Reports on Electric Service Reliability*, Order No. 89260 at 17 (Sept. 6, 2019).

Staff convened the Customer Communication Work Group (“CCWG”)⁸⁴ on September 26, 2019, and on June 1, 2020, Staff filed a CCWG Final Report with the Commission, which included consensus recommendations for best practices⁸⁵ and metrics that are best suited for measuring an Electric Company’s performance with regard to customer communications. The CCWG proposed three metrics for measuring call center performance and quality of service provided related to customer communications. Those metrics are: (1) first call resolution (whether, from the customers’ perspective, their inquiry was resolved to their satisfaction in a single interaction); (2) Customer Service Representative (“CSR”) average handling time (the average amount of time needed to resolve a customer’s request); and (3) percentage of time a vulnerable individual customer is notified in advance of storms.⁸⁶

In Order No. 89629, the Commission approved the recommendations of the CCWG, finding that the three recommended metrics will further help measure call center performance and quality of service related to customer communications beyond the metrics contained in the existing Customer Communications Standard.⁸⁷ Nevertheless, given the variability across the electric industry in practice and definitions, the Commission determined that the three metrics would be tracked and reported in each Electric Company’s annual performance report as “supplemental customer communication

⁸⁴ The CCWG consisted of the five current Electric Companies, as well as Choptank, OPC, and Staff.

⁸⁵ The 16 best practices generally relate to call center capabilities, customer service representative performance, staffing protocols, and backup call center plans. Most of the Electric Companies have either implemented or are planning to implement these best practices.

⁸⁶ Customer Communication Final Report, Maillog No. 230543.

⁸⁷ Case No. 9353, *In the Matter of the Review of Annual Performance Reports on Electric Service Reliability*, Order No. 89629 at 22 (Sept. 1, 2020).

information,” and that the metrics would not be adopted as performance standards at that time.⁸⁸

For 2025, the Electric Companies reported the following customer communication tracking metrics.⁸⁹

Staff Table No. 19 - 2025 Other Customer Communication Information

Utility	CSR Answer ≤ 30 (secs)	CSR Abandon	Avg. CSR Speed to Answer (secs)	First Call Resolution	Vulnerable Individuals
BGE	46.3	8.3%	70	74.6%	100%
Delmarva	76.2	3.13%	28	77%	62.7% Successful Contact
Potomac Edison	73.2	14.47%	76.9	47.9%	100%
Pepco	60.1	5.61%	40	76.9%	53.8% Successful Contact
SMECO	95.69	1.77%	10	86.0%	95.5%

Staff asserted that the representative-only customer communication metrics “continue to be more revealing than the all-calls metrics.” Staff stated that in 2025, “several companies remained compliant on the all-calls standard while showing weaker live-agent

⁸⁸ *Id.* Staff observed, for example, that a major challenge to developing a uniform first call resolution metric is that it varies across the industry and no utility has the same definition.

⁸⁹ Staff Annual Review at 40, Table 19.

performance, higher average handling times, or reporting method issues affecting the vulnerable-individual notification metric.”⁹⁰

The Commission is also concerned about weak CSR performance, while noting SMECO's CSR performance is significantly better in most CSR metrics when compared to Maryland's investor-owned utilities. The Commission directs Staff to continue to monitor and report on CSR performance in future annual performance reports, with a particular focus on causal factors for worst CSR performers. If benchmark data is available, it would also be helpful if Staff or OPC can research utility industry CSR performance before next year's annual performance hearing in order to aid the Commission in a determination of whether CSR Standards are advisable, and if Maryland's investor-owned utility CSR performance lags their peers.

Regarding VI, Electric Companies have an internal system that notifies their VI customers who enrolled in the special needs program to prepare for the possibility of an extended outage prior to a storm event. The Electric Companies also have the capability to track the percentage of successful notifications to VI customers. Staff concluded “that the Vulnerable Individual storm-notification metric warrants additional clarification in future annual filings. As reflected in the 2025 numbers, the reported metric may not clearly distinguish between notification attempts and successful customer contacts, which make it difficult to assess how effectively enrolled customers were actually reached before storm events.”⁹¹ Staff therefore recommended that the Electric Companies clearly define the basis

⁹⁰ *Id.* at 39.

⁹¹ *Id.* at 43-44.

of the metric in future reports, “including what constitutes a successful notification and how unsuccessful attempts are treated.”⁹²

The Commission notes that VI reporting was also an issue in 2024, which resulted in the Commission ordering “that Pepco and Delmarva shall compare their measurement methods for VI customers notified in advance of storms with BGE, Potomac Edison and SMECO to determine if they are measuring this metric differently than other Electric Companies and if so, either align their metric measurement methods with the other Electric Companies or report back on their findings in next year’s annual performance report due April 1, 2026.”⁹³ According to Staff, both Pepco and Delmarva reported 100% VI notifications in 2025.⁹⁴ Delmarva achieved a 62.7% VI Successful Contact metric, while Pepco achieved 53.8%, but no successful notification performance is listed for the other Electric Companies in Table No. 19 of Staff’s Annual Report.⁹⁵ Therefore, to alleviate inconsistencies, the Commission directs that in future annual reports the Electric Companies report both the percentage of VI customers notified and the percentage of successful notifications to VI customers.

H. Vegetation Management Standards

COMAR 20.50.12.09 addresses vegetation management standards and requires that each Electric Company trim vegetation on a certain percentage of the Electric Company’s total distribution miles each year. The regulation requires that each Electric Company develop its own vegetation management program to address tree pruning and removal;

⁹² *Id.*

⁹³ Order No. 91799 at 49.

⁹⁴ Staff Annual Review at 42-43.

⁹⁵ *Id.* at 40, Table 19.

vegetation management around poles, substations, and overhead electric plant; vegetation management along rights-of-way; inspections; and public education regarding vegetation management practices, among other requirements.⁹⁶

Pursuant to COMAR 20.50.12.09F, each Electric Company must adopt either a four-year or five-year trim cycle. Based on the Electric Company's chosen trim cycle, it is then required to perform no less than a specified amount of vegetation management to its electric distribution system each year. All of the Electric Companies utilized four-year trim cycles in 2025.⁹⁷

In 2025, Staff determined that “[a]ll of the electric utilities met or exceeded their minimum vegetation management trimming requirements ... combining for a total of 5,917 circuit miles of vegetation trimmed to the COMAR standard, a 12.9% decrease in trimming performed compared to 2024.”⁹⁸ The Commission notes that all of the Electric Companies have met their vegetation management targets. In past Orders, the Commission has also focused on the per-mile cost of the Electric Companies' vegetation management programs. “The average vegetation management cost per mile in 2025 was \$13,502, which is an increase of approximately 8.6% compared to 2024 (\$12,428).”⁹⁹ The Electric Companies should continue to cost-effectively place priority on vegetation management, communicating effectively with customers, and addressing customers' concerns as they carry out their vegetation management programs.

⁹⁶ COMAR 20.50.12.09B(2).

⁹⁷ Potomac Edison transitioned from a five-year to a four-year trim cycle beginning in January 2021.

⁹⁸ Staff Annual Review at 46.

⁹⁹ *Id.*

I. Periodic Equipment Inspections

COMAR 20.50.12.10A requires that each Electric Company adopt and follow written O&M procedures for its electric plant in order to maintain safe and reliable service. The programs should be designed to achieve, at a minimum, the level of reliability established by the Commission's regulations. In accordance with those requirements, each of the Electric Companies filed O&M plans with the Commission in August 2012, detailing their procedures for the inspection and maintenance of wood poles, overhead circuits and equipment, pad-mounted transformers and underground equipment, line capacitors, and substations. COMAR 20.50.12.10 provides that if any Electric Company elects to make material changes to its O&M programs, a revised O&M program manual must be filed with the Commission no later than 60 days prior to the implementation of the changes, absent exigent circumstances.¹⁰⁰

BGE, Potomac Edison and SMECO reported no missed periodic equipment inspections requiring corrective action during the 2025 reporting year. BGE also has completed all overdue inspections from the prior reporting cycle. Based on BGE's reported performance, Staff's review of the Annual Reliability Performance Report, and the Engineering Division's ongoing oversight, Staff finds that "BGE demonstrated full compliance with its periodic equipment inspection program during the 2025 reporting period."¹⁰¹

Staff reported that during the 2025 reporting year, neither Pepco nor Delmarva reported new systemic periodic equipment inspection deficiencies requiring a CAP. Rather,

¹⁰⁰ If exigent circumstances exist, the Electric Company must file the changes with the Commission no later than 30 days after implementation.

¹⁰¹ Staff Annual Review at 48-49.

both Companies continued implementation of the corrective measures from their CAPs previously approved by the Commission in Order No. 91799.

Staff reported that Delmarva completed its work-down plan for all previously identified missed inspections.¹⁰²

Staff also reported that “Pepco substantially completed its remaining work-down activities [from its 2024 CAP], including completion of all previously deferred underground distribution manhole inspections, substation transformer inspections, and generator inspections.” Staff stated that the remaining five protective relay inspections and three circuit breaker inspections “require planned outages at critical customer facilities, including hospitals, government facilities, transportation infrastructure, and other essential facilities”¹⁰³ Staff concluded that “the remaining inspections do not reflect new systemic deficiencies in Pepco's inspection program, but rather operational constraints associated with safely coordinating outages at critical customer facilities.”¹⁰⁴

There is a difference in opinion between Staff and OPC on whether Delmarva and Pepco incurred preventive maintenance violations in 2025. Pepco identified 212 equipment inspections and preventive-maintenance tasks that it had not completed in accordance with its O&M manual.¹⁰⁵ Of those 212 missed tasks, 161 predated 2025 and 51 were due in 2025. Pepco also stated that it has “set a goal to inspect all remaining overdue distribution equipment by April 1, 2027.”¹⁰⁶ OPC stated that “the comprehensive review required by the Commission identified additional required transformer-testing preventive-maintenance

¹⁰² *Id.* at 49.

¹⁰³ *Id.*

¹⁰⁴ *Id.* at 49-50.

¹⁰⁵ Maillog No. 328603, Attachment E at 2.

¹⁰⁶ *Id.*

tasks that Delmarva had not completed in accordance with its O&M manual. Twenty-six of those tasks were due in 2025, and Delmarva targets them for completion in 2026.”¹⁰⁷

In summary, OPC recommends that the Commission: (1) reject both Delmarva’s and Pepco’s corrective action plans as insufficient; (2) require both Delmarva and Pepco to file a revised corrective action plan that includes monthly completion targets, a schedule for completing all overdue inspections, a description of how overdue work will be integrated into Pepco’s normal inspection schedule, and measurable criteria for determining whether Pepco’s corrective actions are effective; (3) require both Delmarva and Pepco to file monthly progress reports until all overdue inspections and preventive-maintenance tasks and any remaining inspections from the prior CAP process are complete; and (4) assess a civil penalty of \$510,000 for Pepco’s failure to complete 51 required equipment inspections and preventive-maintenance tasks due in 2025 and assess a civil penalty of \$260,000 for Delmarva’s failure to complete 26 required preventive maintenance transformer-testing tasks due in 2025.¹⁰⁸ OPC states that “the \$10,000-per-missed-task amount used in Order No. 89260 [for missed BGE inspections] is an appropriate benchmark.”¹⁰⁹

The Commission found in Order No. 91799 that Delmarva’s and Pepco’s inspection failures stemmed from significant data management issues due to the misalignment of the Company’s Geographic Information System (“GIS”) and AS8, the companies’ asset management system. The Companies agreed to amend their 2024 CAPs to perform comprehensive reviews of their GIS and AS8 systems to ensure alignment of records by

¹⁰⁷ OPC Comments at 81.

¹⁰⁸ *See id.* at 79, for OPC’s Pepco recommendations and *id.* at 84, for OPC’s Delmarva recommendations.

¹⁰⁹ *Id.* at 78.

performing field checks across their service territories to confirm the location and status of all electric equipment within their GIS and that the reconciliation of their records from their GIS to their AS8 systems were successfully synced, among other things.¹¹⁰ The Commission agrees with Staff that the additional inspections found for both Electric Companies were due to the continued implementation of the corrective measures previously approved by the Commission in Order No. 91799. Therefore, the Commission denies OPC's recommendations.

Finally, the Commission is concerned with Pepco's goal to inspect all remaining overdue distribution equipment by April 1, 2027. While Pepco indicates that some delays are due to coordinating outages at critical customer facilities, the Commission directs that Pepco take any steps necessary to complete its work down plan in 2026, if possible. Accordingly, in next year's annual performance report filing, Pepco should provide a full explanation for overdue inspections from its CAP that are not able to be completed by the end of 2026.

J. Assessment of Effectiveness of 2024 CAPs

In Order No. 91799, issued August 29, 2025, the Commission accepted the CAPs submitted by BGE, Pepco, and Delmarva in response to previously identified missed periodic equipment inspections, including Staff's adopted recommended modifications to those plans. Since issuance of the Order, Staff has continued to monitor implementation of the CAPs through ongoing correspondence, periodic status reports, and assessment of each Electric Company's implementation of its corrective actions and ongoing compliance with

¹¹⁰ Order No. 91799 at 23-25.

the Commission’s directives. In its Annual Review, Staff found that the corrective actions implemented by BGE, Pepco, and Delmarva “have been effective in addressing the underlying causes of the previously identified missed inspections.”¹¹¹ More information on these CAPs is discussed in Section II(I). of this Order.

In the 2023 reporting period, Potomac Edison’s Eylers Valley circuit was a repeat PPF due to extreme vegetation density in the Catoctin Mountain area. While the circuit successfully cleared the PPF threshold during the CY2024 reporting period, it relapsed in the CY2025 reporting period, appearing as Potomac Edison’s #6 poorest performing feeder. This reappearance indicates that while the 2023–2024 remediation measures provided temporary relief, they were insufficient to sustain long-term circuit reliability. Consequently, Potomac Edison initiated a new remediation plan for Eylers Valley, scheduling 4.3 miles of targeted danger tree patrols to be completed by December 31, 2026.¹¹²

Potomac Edison’s 2024 SAIFI/SAIDI CAP contained three components: (1) Substation Animal Mitigation, (2) Targeted Distribution Automation specifically at the Wilson Substation and (3) Leveraging Battery Energy Storage System at the Town Hill substation. As Potomac Edison was able to restore its SAIFI performance to be in compliance with COMAR in 2025, Staff considers the SAIFI portion of the CAP to be successful. Since Potomac Edison failed the SAIDI standard in 2025, Potomac Edison has submitted a new 2025 CAP as discussed in Section II(A) of this present Order.¹¹³

¹¹¹ Staff Annual Review at 58-60.

¹¹² *Id.* at 61.

¹¹³ *Id.* at 61-63.

In July of 2023, Pepco experienced a MOE storm and although the Company did not violate any COMAR standards, Pepco's performance resulted in the Commission ordering Pepco to submit an action plan on its Downed Wire Response performance and its abandoned call rate in Order No. 91799. The Company did not experience any MOEs in 2025, but it met the annual Downed Wire Response requirement by responding to 91 percent of government emergency responders guarded downed electric utility wire within 3 hours and achieved an average Abandoned Call Rate of 1.86 percent. Staff concluded that Pepco has successfully completed its MOE Downed Wire Response and MOE Abandoned Call corrective action plans for the 2024 reporting year.¹¹⁴

K. Electric Company Reliability-Driven Capital and Operating Expenditures

Staff presented an analysis of reliability-driven capital expenditures comparing distribution system 2024 budget to actuals with the following variances and variance explanations:¹¹⁵

- (a) BGE overspent its \$196.4 million 2025 budget for reliability driven capital expenditures on its distribution system by approximately \$78.7 million, or 40 percent;
- (b) Delmarva overspent its \$63.2 million 2025 budget for reliability driven capital expenditures on its distribution system by approximately \$10.9 million, or 17 percent. The primary driver of unfavorable spending to budget in 2025 was in the Company's corrective maintenance category of expenditures;
- (c) Potomac Edison overspent its \$39.1 million 2025 budget for reliability driven capital expenditures on its distribution system by approximately \$17.1 million, or 44 percent. The main areas of overspending in both percentage and dollars were on its underground cable replacement program

¹¹⁴ *Id.* at 61-63.

¹¹⁵ *Id.* at 76-80.

and on a major storm event that occurred on April 19, 2025 in the Company's service territory;

- (d) Pepco overspent its \$102.2 million 2025 budget for reliability driven capital expenditures on its distribution system by approximately \$90.6 million, or 89 percent. As shown in the Company's report, the Company overspent the budget for its System Performance category of projects by \$35.6 million due to substation improvements and additions and circuit breaker replacements. The Company also overspent its budget for its Corrective Maintenance category of projects by \$44.7 million. Among the corrective maintenance work that contributed to the overspend, \$18.9 million was attributed to underground cable fault restoration work and \$19.3 million was attributed to work that must be performed to maintain service or to transition from temporary to permanent repairs after emergency restoration. Finally, the Company had no budget for storms in 2025 but incurred \$9.1 million of capital storm expenditures in 2025; and
- (e) SMECO overspent its \$24.4 million 2025 budget for reliability driven capital expenditures on its distribution system by approximately \$4.2 million, or 17 percent. The primary driver of unfavorable spending to the budget in 2025 was in the cooperative's Ordinary Distribution Replacement category of expenditures. SMECO discovered that the actual cost was higher than the budget estimates that were previously calculated using less precise methods.

Staff presented an analysis of reliability-driven O&M expenditures (distribution system) comparing 2024 budget to actuals with the following variances and variance explanations:¹¹⁶

- (a) BGE spent approximately \$2.6 million less than its \$155.8 million 2025 budget for reliability-driven O&M expenditures;
- (b) Delmarva's actual expenditures of approximately \$21.4 million for reliability driven O&M expenditures on its distribution system in 2025 were about \$6 million less than its budget of approximately \$26.9 million;
- (c) Potomac Edison's actual expenditures of approximately \$23.3 million for reliability-driven O&M expenditures on its distribution system in 2025 were about \$3 million more than its budget of approximately \$20.3 million. The major categories where the Company overspent its budget were for corrective maintenance, vegetation management, and storms;

¹¹⁶ *Id.* at 80-82.

- (d) Pepco’s actual expenditures of approximately \$51.8 million for reliability-driven O&M expenditures on its distribution system in 2025 were about \$13.4 million less than its budget of approximately \$65.2 million; and
- (e) SMECO’s actual expenditures of approximately \$35.9 million for reliability-driven O&M expenditures on its distribution system in 2025 were about \$4 million less than its budget of approximately \$39.9 million.

Staff also compared actual expenditures and current budgets for O&M and capital expenditures compared to budgets when setting 2024 to 2027 reliability targets. Staff describes variances for each of the Electric Companies.¹¹⁷ Staff notes that “given the importance that is attached to the quadrennial exercise of setting SAIFI and SAIDI targets, fidelity to the budgets that are associated with those targets, to the best extent possible, is important.”¹¹⁸

The Commission notes that the setting of reliability targets and the expenditures required to achieve these targets are being transitioned to the Electric System Planning docket in Case No. 9665.¹¹⁹ The Commission expects that all electric system planning expenditures in the future, not just reliability driven capital and O&M, should be consistent with expenditures forecast in electric system plans and annual plan updates. Furthermore, a comprehensive review of variances from these electric system plans and annual plan updates should be performed by Staff and other intervenors in rate cases.

¹¹⁷ *Id.* at 83-92.

¹¹⁸ *Id.* at 92.

¹¹⁹ *See* Case No. 9665, *Electric System Planning for Maryland Electric Utilities*.

L. Major Outage Event Reports

Electric Companies are required by COMAR 20.50.12.13 to file MOE reports with the Commission. For the 2025 reporting period, BGE¹²⁰ and Potomac Edison¹²¹ reported experiencing a COMAR-defined MOE.

Potomac Edison experienced an MOE due to severe thunderstorms resulting in 41,737 customer outages beginning at 5:47 PM on April 19, 2025 with restoration completed by 4:15 PM on April 24, 2025. Potomac Edison responded to 78 percent of guarded downed wires in 3 hours. The MOE storm cost \$7.4 million. Potomac Edison was only able to restore 90.51 percent of customers experiencing sustained interruptions within 50 hours, which did not meet the Service Restoration Standard of 95 percent. As described in Section II(E) of this present Order, Potomac Edison filed a CAP for its failure of this Service Restoration Standard.¹²²

BGE experienced an MOE from Wind Storm Jett resulting in 115,166 customer outages beginning at 11:30 AM on February 16, 2025 with restoration completed by 4:34 PM on February 20, 2025. BGE responded to 77 percent of guarded downed wires in 3 hours. The MOE storm cost \$49.07 million. BGE restored 98.6 percent of customers experiencing sustained interruptions within 50 hours which meets the Service Restoration Standard of 95 percent.¹²³

Pursuant to Commission Order Nos. 90948 and 92071, BGE submitted comments addressing Windstorm Jett, including an independent MOE restoration cost benchmarking

¹²⁰ Maillog No. 317131.

¹²¹ Maillog No. 329027.

¹²² Staff Annual Review at 98, Table 31.

¹²³ *Id.*

analysis prepared by Guidehouse, Inc. Staff found that “BGE complied with the Commission's directives contained in Order Nos. 90948 and 92071 by submitting the requested [MOE cost] benchmarking analysis together with supporting explanations regarding restoration costs, [Qualified Line Personnel], and reliance on external restoration resources.”¹²⁴ Staff further provided that the Guidehouse’s study report “introduces several concepts that may prove valuable as the Commission continues evaluating restoration cost benchmarking metrics, including normalization methodologies, consideration of infrastructure damage, and recognition of the operational effects of distribution automation.”¹²⁵

The Commission accepts Staff’s recommendation that BGE has complied with Order Nos. 90948 and 92071. However, the Commission’s acceptance of BGE’s reports is not a determination of the prudence of BGE’s \$49.07 million expenditures for Windstorm Jett, which will be evaluated in BGE’s current rate case.¹²⁶ Furthermore, Staff is invited to make future recommendations for incorporating concepts learned from the Guidehouse study in future proceedings.

M. Manhole and Conduit Events

In RM 79, the Commission revised the annual performance report requirements by requiring each Electric Company to report the number of manhole and conduit events during the preceding year. During the 2025 reporting period, BGE reported six manhole and conduit events resulting in lid displacement, while Delmarva, Pepco, Potomac Edison,

¹²⁴ *Id.* at 101.

¹²⁵ *Id.* at 104.

¹²⁶ Case No. 9888, *Baltimore Gas and Electric Company's Application for Adjustments to Its Electric Base Rate*.

and SMECO reported no such events. Due to past events, in Order No. 91799, issued August 29, 2025, the Commission directed BGE to file quarterly reports. Since the issuance of Order No. 91799, Staff has reviewed BGE's quarterly conduit reports filed in Case No. 9353 to evaluate the Company's compliance with the Commission's reporting requirements and the effectiveness of its ongoing preventive measures. Staff stated that BGE has complied with the Commission's quarterly reporting directive. Staff asserted that BGE's reported preventive activities demonstrate implementation of a structured, risk-based asset management approach that is consistent with the Commission's expectation that the Company move beyond reactive maintenance and adopt a more proactive strategy focused on prevention, inspection, targeted rehabilitation, and system risk reduction. The quarterly reports demonstrate continued emphasis on preventive maintenance, active monitoring, targeted rehabilitation of aging conduit infrastructure, and systematic removal of underground obstructions, all of which are intended to reduce the likelihood of future manhole and conduit events. Staff stated that it will continue monitoring future quarterly reports.¹²⁷

N. BGE's Motor Operated Switchgear Program

In Order No. 89678, which was issued in response to BGE's first Multi-Year Rate Plan ("MRP") filing, the Commission accepted Staff's recommendation that the costs for full implementation of BGE's Underground Fault Detector ("UFD") Program using cFCI devices should only be recovered after BGE demonstrates through reporting in Case No.

¹²⁷ Staff Annual Review at 50-54.

9353 that there is no risk to full deployment and that reliability benefits will be achieved.¹²⁸

In its 2023 annual performance report, BGE reiterated that it would gather results through the end of 2024.¹²⁹ At last year's annual performance hearing, Staff indicated that BGE is no longer installing cFCI devices and that it is now installing MOS devices to add automatic restoration capabilities to underground circuits, which the Company states was not available at the time that the underground cFCI program was introduced. BGE stated at last year's annual performance hearing that it has concluded the pilot directed by the Commission in Case No. 9645.¹³⁰

In Order No. 91799, the Commission expressed concerns that BGE terminated the UFD pilot program and transitioned to MOS technology without previously filing an overall plan or explaining how related expenditures would be reconciled within BGE's approved MRP. Consequently, the Commission directed BGE to file a MOS plan including "the magnitude of the program in terms of cost, schedule and number of devices to be deployed, the benefits projected, and a demonstration that there is no risk to full deployment."¹³¹ In addition, the Commission directed BGE to describe how these MOS expenditures are being handled in the context of the expenditures already budgeted in

¹²⁸ Order No. 89678, *Application of Baltimore Gas and Electric Company for an Electric and Gas Multi-Year Plan*, (Dec. 16, 2020) at 84-85.

¹²⁹ Staff Annual Review at 60-61.

¹³⁰ See Order No. 89678 at 98, BGE Multi-Year Rate Plan Order, Case No. 9645 (Maillog No. 232998), which stated:

The Commission agrees with Staff witness Dererie that BGE's Underground Fault Detector program is in a developmental stage, and that BGE should recover the costs of the program only after it demonstrates that the benefits have been achieved. Accordingly, the program is approved as a pilot with full implementation subject to BGE's demonstration in a filing with the Commission that there are no risks to full-scale deployment and that program benefits are being obtained as projected after the devices have been in place for a reasonable evaluation period. BGE is directed to place the costs of this program in a regulatory asset.

¹³¹ Order No. 91799 at 36.

BGE's second MRP in Case No. 9692.¹³² As directed by the Commission, BGE filed its MOS Plan on December 1, 2025.¹³³

In reviewing BGE's MOS Plan, Staff found that BGE's MOS deployment generally aligns with the scope and objectives of the Company's approved MRP. Overall, Staff found that the Company has demonstrated measurable reductions in outage frequency and outage duration, resulting in corresponding customer reliability benefits. While these benefits are supported by observed operational data, MOS deployment remains at a relatively early stage, and the sample size of successful operations remains limited. Staff concluded that continued monitoring will therefore be important to confirm that the magnitude of observed benefits is sustained as deployment expands and implementation costs increase. Staff also found no evidence of material technical barriers to continued deployment. Although the record demonstrates measurable reliability benefits associated with MOS deployment, it does not provide sufficient information to determine the program's cost-effectiveness, prudence, or net customer benefits. Staff therefore recommended that the Commission direct BGE to provide additional reporting of the costs and benefits of its MOS Program for Staff's continued monitoring and evaluation of the effectiveness of the Program. Staff concluded that any determination regarding whether program benefits justify program costs would be more appropriately addressed in a future rate case.¹³⁴

The Commission accepts Staff's recommendation and hereby directs BGE to provide additional reporting of the costs and benefits of its MOS Program for Staff's

¹³² Case No. 9692, *Baltimore Gas and Electric Company's Application for an Electric and Gas Multi-Year Plan*.

¹³³ Maillog No. 324855.

¹³⁴ Staff Annual Review at 68-76.

continued monitoring and evaluation of the effectiveness of the Program in future annual performance reports.

O. COMAR Revisions Work Group and RM 90

In Order No. 90782, the Commission directed Staff to lead a work group to propose revisions to the existing COMAR Service Restoration Standard and Downed Wire Response Standard related to applying the standards to each MOE, rather than using an average on a calendar year basis. The Commission also expressed concern about the lack of qualified line personnel (“QLP”) that have been available for storm restoration during MOEs and directed the workgroup to consider that issue and to propose a new COMAR standard related to the availability of qualified line personnel.¹³⁵ Subsequently, the Commission directed the workgroup to make recommendations to apply the existing customer communications standards to each MOE, rather than using an average on a calendar year basis to improve customer communications accountability during MOEs.¹³⁶

In Order No. 91307, the Commission directed Staff to file, by November 1, 2024, a COMAR Revisions Work Group report and a petition for rulemaking that addresses the service restoration standard, downed wire performance, and customer communications standards for each MOE. Staff submitted these proposed COMAR revisions and a work group report on November 1, 2024. On March 25, 2025, the Commission issued Order No. 91583, which directed Staff to modify the proposed COMAR revisions and file a petition for rulemaking within 90 days of the Order. Staff reconvened the work group and modified

¹³⁵ Order No. 90782 at 24-27.

¹³⁶ Order No. 91307 at 32.

the proposed COMAR revisions, consistent with the direction in the Commission order. Staff filed the petition for rulemaking on June 23, 2025.¹³⁷ On June 24, 2025, the Commission initiated an Administrative Docket, RM90, to consider the draft regulations as submitted by Staff.¹³⁸ On September 30, 2025, the Commission issued a Notice of Hearing Postponement and Request for Additional Information related to the Electric Companies' request that the Commission consider the cost of implementing the Staff's proposed COMAR revisions. Pursuant to this Notice, BGE, Delmarva, Pepco, Potomac Edison, and SMECO all provided the additional information requested.¹³⁹ In Order No. 92071 stakeholders were also invited to file, by January 31, 2026, further comments in the RM 90 docket relating to Electric Company QLP policies. Comments were received from the IBEW Local 410¹⁴⁰ and Staff.¹⁴¹

Since no new RM 90 related issues arose during the annual performance hearing, the Commission will provide further direction on the resumption of RM 90 in a separate Order.

P. Wildfire and Hurricane Preparedness

COMAR 20.50.12.15B provides that: "An electric utility shall have resilience plans to prepare for and recover from various utility-defined credible event threat scenarios such as pandemics, physical attacks, cyber-attacks, electric supply shortages, weather events, significant infrastructure failures, and other credible disturbances with the potential to lead

¹³⁷ See RM 90, *Implementation of Regulations to Major Outage Events*, at Docket Item No. 2.

¹³⁸ *Id.* at No. 1

¹³⁹ *Id.* at Nos. 8, 9 and 10.

¹⁴⁰ Maillog No. 326750.

¹⁴¹ Maillog No. 326793.

to large and widespread electric outages or loss of critical facilities essential for public health and safety.” Per Commission Order No. 91307, the Electric Companies were directed to provide information on what steps they are taking or should take to prevent wildfires from utility-owned equipment sources, and what steps they are taking and should take to respond to wildfire events. The Commission also directed the Electric Companies to include a narrative on their general hurricane preparedness in their annual electric reliability performance reports due April 1, 2025, pursuant to COMAR 20.50.12.11A.¹⁴²

No Electric Company reported any wildfire-related equipment outages, infrastructure impacts, or customer outage impacts during the 2025 reporting year. There were also no electrical outages in Maryland due to wildfires reported by the Electric Companies in 2025. In 2025, there were 172 reported wildfires in Maryland burning 8,167 acres as compared to 165 wildfires and 953 acres burned in 2024. The increase in total acreage burned suggests that wildfire severity increased during the reporting period and compared to the average of the previous five years. Staff notes that this trend reinforces the importance of continued utility wildfire preparedness and supports the Commission's directive requiring annual updates to the Electric Companies' Wildfire Mitigation Plans.¹⁴³

Q. OPC Analysis and Recommendations

OPC provided an analysis of each Electric Company's SAIFI and SAIDI performance, CEMI_n performance and distribution capital expenditures (“CapEx”) and O&M spending that supplements Staff's review. OPC also makes certain recommendations

¹⁴² Order No. 91307 at 33.

¹⁴³ Staff Annual Review at 55-58.

regarding transmission and distribution CapEx spending for resilience and reliability versus targeted O&M expenditures and the types of information needed when Electric Companies incur reliability standard violations, including enhanced PPF information, or when a utility's actual spending materially differs from its budget. OPC's other recommendations regarding Potomac Edison's MOE Service Restoration Standard and SAIDI Standard Non-Compliance in addition to Pepco's and Delmarva's Periodic Inspection CAPs are addressed in other sections of this present Order.

While BGE's SAIFI performance shows a slight improvement since 2020, BGE's SAIDI performance has remained relatively flat since 2020. BGE's CEMI_n performance, including MOEs in 2025, remained consistent with its performance in 2023 and 2024. For the eighth year in a row, BGE has exceeded its total budget for capital expenditures. BGE's total budget for 2025 CapEx related to reliability was \$411 million. BGE reported spending \$445.5 million, \$34.5 million above its budget, or an approximate 8 percent total overspend. For the first time since 2022, BGE came in under-budget for its 2025 O&M expenditures related to reliability. BGE reported approximately 253.5 million total minutes of outages experienced by customers in 2025. This is about 50 million more outage minutes than experienced in 2024, but about 20 million less than experienced in 2023. Vegetation caused approximately 51 percent of customer minutes of outages in 2025. This is an increase from 2023 and 2024, when vegetation caused about 42 percent of outage minutes. BGE identified two feeders that have had poor performance for three consecutive reporting periods: Hereford 7130 and Hereford 7132.¹⁴⁴

¹⁴⁴ OPC Comments at 4-13.

Delmarva's SAIFI performance declined in 2025 as compared to its 2024 performance. Delmarva's SAIDI performance also declined compared to its 2024 performance. While Delmarva's SAIFI performance trend since 2020 shows modest improvement, Delmarva's SAIDI performance has remained flat since 2020. Delmarva's CEMI_n performance declined in 2025 and demonstrates an overall trend of worsening performance since 2021. Delmarva's total budget for 2025 capital expenditures related to reliability was \$63 million. Delmarva reported spending \$74 million—\$11 million or about 17 percent above its budget. For the eighth year in a row, Delmarva came in under budget for its 2025 O&M expenditures related to reliability. Delmarva reported approximately 26 million total minutes of outages experienced by customers in 2025. This is about 8 million more outage minutes than experienced in 2024, but about 5 million less than experienced in 2023. Vegetation caused approximately 49 percent of customer minutes of outages in 2025. Delmarva identified two feeders that have had poor performance for three consecutive reporting periods: MD0343 and MD3461.¹⁴⁵

Potomac Edison's SAIDI and SAIFI performance remained relatively flat since 2020, until recently (in 2024 and 2025), when Potomac Edison's performance significantly declined. Potomac Edison's CEMI_n performance declined in 2025. In 2025, Potomac Edison exceeded its total budget for capital expenditures. Potomac Edison's total budget for 2025 capital expenditures related to reliability was \$121.5 million. Potomac Edison reported spending \$160.6 million, which is \$39.1 million or 32 percent above its budget. For the sixth year in a row, Potomac Edison came in under budget for its 2025 O&M expenditures related to reliability. Potomac Edison reported approximately 101.2 million

¹⁴⁵ *Id.* at 13-21.

total minutes of outages experienced by customers in 2025. This is about 42.9 million more outage minutes than experienced in 2023, and 53.5 million more than in 2024, a substantial increase. Vegetation caused approximately 43.80 percent of customer minutes of outages in 2025.¹⁴⁶

Pepco's SAIFI performance has improved slightly since 2020, while Pepco's SAIDI has remained relatively flat. Pepco's CEMI_n performance declined in 2025. For the fifth year in a row, Pepco has exceeded its total budget for capital expenditures. Pepco's total budget for 2025 capital expenditures related to reliability was \$102 million. Pepco reported spending \$193 million, which is \$91 million or about 89 percent above its budget. For the second year in a row, Pepco came in under budget for its 2025 O&M expenditures related to reliability. Pepco reported 6,634 outages, with 1,437 caused by vegetation, or about 22 percent. This is a decrease in the number of outages experienced by Pepco customers in 2023 and 2024. However, vegetation caused a higher percentage of outages as compared to 2023 and 2024. Pepco identified one feeder that has had poor performance for three consecutive reporting periods: feeder 15744.¹⁴⁷

SMECO's SAIDI and SAIFI performance has—overall—progressively declined since 2020. In 2025, SMECO exceeded its total budget for capital expenditures. SMECO's total budget for 2025 capital expenditures related to reliability was \$32.7 million. SMECO reported spending \$33.4 million, which is \$700,000 or about 2 percent above its budget. SMECO underspent its 2025 O&M budgeted expenditures related to reliability, having budgeted \$44 million, but spending \$40 million—an underspend of about 9 percent.

¹⁴⁶ *Id.* at 21-26.

¹⁴⁷ *Id.* at 26-33.

SMECO reported 5,763 outages, with 1,549 caused by vegetation, or about 27 percent. This is a decrease in the number of outages experienced by SMECO customers in 2023 and 2024. However, vegetation caused a higher percentage of outages as compared to 2023 and 2024.¹⁴⁸

OPC recommends that CapEx for reliability should receive heightened scrutiny by the Commission, stating that increased CapEx spending has not produced commensurate gains in resilience or reliability. Furthermore, utility plans for repeat poorest-performing feeders demonstrate over-reliance on CapEx and underutilization of lower-cost, non-capital alternatives. OPC argues that vegetation management and other targeted O&M measures should be treated as core reliability tools, not afterthoughts. Customers are generally satisfied with utility reliability performance but are highly sensitive to the cost of additional reliability improvements. Finally, OPC argues that the Electric Companies' annual reliability performance reports should provide clearer and more extensive information regarding spending that concretely connects utility spending to reliability outcomes. To that end, the Commission should standardize spending reporting in the annual reliability performance reports. At a minimum, OPC recommends that each Electric Company should report reliability related spending using standardized categories, should separately report transmission and distribution spending, and should identify any changes in category definitions from prior annual reports. These annual reliability performance reports should also provide detailed explanations when a utility's actual spending

¹⁴⁸ *Id.* at 33-37.

materially differs from its budget and explanations connecting budget variances to the utility's reliability outcomes.¹⁴⁹

OPC further recommends that the Commission standardize annual reliability reporting for reliability standard violations. OPC recommends that the Commission require any utility that fails an annual SAIDI or SAIFI standard to identify the first date on which its cumulative year-to-date SAIDI or SAIFI exceeded the applicable annual standard, calculated using the same inputs, exclusions, and denominator used to calculate the utility's final reported annual index. That information would permit the Commission to evaluate the duration of the utility's noncompliance, determine the extent of any continuing violation under PUA § 13-201, and assess an appropriate corrective action or civil penalty, if warranted. OPC further recommends that the Commission adopt comparable reporting requirements for other reliability standards. For task-based standards, such as periodic inspections and preventive maintenance, utilities should identify each required task that was not completed on time, the applicable due date, the completion date, and the number of days the task remained overdue. For percentage-based standards, such as restoration performance during MOEs, downed-wire response, and customer communications, utilities should identify the specific events included in the calculation, the dates on which the applicable performance standard was not met, and whether the noncompliance was isolated, recurring, or continuing.

OPC's recommendations regarding CapEx spending for resilience and reliability versus targeted O&M expenditures were addressed by the Commission in Order No. 91799 last year. Order No. 91799 states, "The Commission takes no position on OPC's conclusion

¹⁴⁹ *Id.* at 37-62.

that targeted improvements that promote O&M over CapEx are preferable since O&M solutions, such as vegetation management, may yield temporary benefits with expenditures recurring more frequently than CapEx solutions which have longer benefit durations The BCA analysis should inform whether targeted O&M solutions or Capex solutions are preferable.”¹⁵⁰ The Commission reiterates that a BCA analysis should inform these Electric Company decisions where choices between CapEx solutions and O&M solutions exist. Electric Companies have the burden of proof in rate cases to demonstrate the prudence of their decisions.

OPC has further recommendations regarding standardized spending reporting in annual reliability performance reports that would include detailed explanations when a utility’s actual spending materially differs from its budget including explanations connecting budget variances to the EDCs’ reliability outcomes. OPC further recommends that the Commission standardize annual reliability reporting for reliability standard violations, possibly using standardized categories and separately reporting transmission and distribution spending.

The Commission agrees with OPC that Electric Companies should provide stakeholders information needed to adequately assess the Electric Companies’ annual electric reliability performance as long as the information is not unduly burdensome for Electric Companies to produce. Order No. 91751 in Case No. 9665 directed the Electric System Planning Work Group to investigate OPC’s proposal for Uniform Planning Disclosures (“UPDs”). UPDs are standardized data requests that front-load information needed by stakeholders to streamline reviews and reduce discovery duplication. To the

¹⁵⁰ Order No. 91799 at 47, referring to a benefit-cost analysis.

extent that UPDs, or a similar standardized discovery concept requiring certain information to be provided in annual reliability reports, should be triggered when Electric Companies incur reliability standard violations or when a utility's actual spending materially differs from its budget, the Commission encourages these methods to ensure a standard and transparent baseline of information for all stakeholders. OPC's detailed proposal for the Commission to adopt certain improvements to repeat PPF CAP reporting (discussed in Section II(C) above) is an example of the types of information that could be included in a standardized data request to be triggered when an Electric Company fails the repeat PPF standard.

Therefore, the Commission directs Staff to coordinate with the OPC and the Electric Companies to consider standardized discovery requests and the triggers for these requests, that could be included in future annual performance reports to address the types of information needed when Electric Companies incur reliability standard violations or when a utility's actual spending materially differs from its budget. The parties should also consider OPC's recommendation to separately report transmission and distribution spending potentially using standardized categories. At this time, the Commission does not establish a deadline or require an updated filing on this effort, assuming it can be implemented collaboratively before next year's April 1, 2027 deadline for filing annual reliability reports. However, if there is significant non-consensus in establishing certain standardized discovery requests, Staff should make a filing with the Commission seeking direction.

III. COMMISSION DECISION

PUA § 7-213(f) provides that the Commission shall determine whether each Electric Company has met the relevant service quality and reliability standards and authorizes the Commission to take appropriate corrective action where compliance is not met.¹⁵¹ After considering the matters raised in this year's review of the Electric Companies' annual performance reports that summarizes the electric service reliability results for 2024,

IT IS, THEREFORE, this 24th day of August, in the year Two Thousand Twenty-Six, by the Public Service Commission of Maryland, **ORDERED:**

(1) that the service quality and reliability annual reports of Baltimore Gas and Electric Company, Potomac Electric Power Company, Delmarva Power & Light Company, The Potomac Edison Company, and Southern Maryland Electric Cooperative, Inc. are accepted;

(2) that Potomac Edison's CAP for missing its SAIDI target is accepted and Potomac Edison shall report on the CAP's progress and effectiveness in its annual performance report due April 1, 2026;

(3) that Potomac Edison's CAP for missing the Service Interruption Standard during its April 2025 MOE is accepted. Potomac Edison shall report on the CAP's progress and effectiveness in its annual performance report due April 1, 2026;

¹⁵¹ For example, PUA §§ 7-213(f)(2)(ii) and 7-213(e)(1)(iii) authorize the Commission to require an Electric Company to file a CAP that delineates specific steps the company will take to meet the standards. PUA §§ 7-213(f)(2) and 13-201 authorize the Commission to impose appropriate civil penalties for noncompliance with the PUA or COMAR.

(4) that BGE's, Pepco's and Delmarva's CAPs to address and remediate their repeat PPFs are accepted. These Companies shall report on the CAP's progress and effectiveness in their annual performance report due April 1, 2026;

(5) that Staff shall continue to monitor and report on CSR performance in future annual performance reports, with a particular focus on causal factors for worst CSR performers;

(6) that certain reporting for BGE's MOS Program, the percentage of VI customers notified and the percentage of successful notifications to VI customers shall be adopted by the Electric Companies in future annual performance reports as described herein;

(7) that Staff shall coordinate with OPC and the Electric Companies to pursue standardized discovery requests that are triggered for reliability standard violations or when an Electric Company's actual spending materially differs from its budget, including the potential for budget category standardization, as described herein; and

(8) that Pepco and Delmarva shall continue to report on the progress and effectiveness of completing their Periodic Equipment Inspections Standard CAPs from 2024 in their annual performance reports due April 1, 2026 as described herein.

/s/ Kumar P. Barve

/s/ Frederick H. Hoover, Jr.

/s/ Bonnie A. Suchman

/s/ Odogwu Obi Linton

/s/ Ryan C. McLean

Commissioners