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Maryland PSC Issues Orders to Mitigate Rate Increases for BGE and Delmarva Power Customers

For Immediate Release: May 30, 2025

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(BALTIMORE, MD) – The Maryland Public Service Commission Thursday issued a pair of Letter Orders to seek to mitigate the effects of recent rate increases in the Baltimore Gas and Electric and Delmarva Power territories.

In response to historically high capacity costs in wholesale markets regulated by the Federal Energy Regulatory Commission (FERC), the Commission issued an order requiring Baltimore Gas and Electric Company (BGE) to shift recovery of some supply costs to lower-usage months over a six-month period. This means customers will pay less for supply costs in the summer and winter when bills are typically highest but will see an increase in the fall and spring months when bills are typically lower. Effectively, the order will benefit customers by flattening costs and help mitigate excessively high electricity bills during peak months. This matter was originally considered at the Commission’s April 23, 2025 Administrative Meeting, after which the Commission requested and received proposals to spread costs over four-, six-, and twenty-four-month intervals. In addition, as detailed in earlier press releases, the Commission is supporting the Maryland Office of People's Counsel (OPC) and several other PJM state consumer advocates in their complaint at FERC challenging high wholesale capacity prices.

On May 29, 2025, the Commission also approved Delmarva Power & Light Company’s proposal to issue a refund to customers related to the Company’s multi-year rate plan (“MRP.”) As a result of the review of the Company’s Annual Informational Filing for its MRP, the Commission determined that for the period of January 1, 2024 through December 31, 2024, Delmarva Power over-recovered its revenue requirement by approximately \$800,000. In its Order, the Commission approved Delmarva Power’s proposal to return approximately \$800,000 to customers over a one-year period from July 1, 2025 through June 30, 2026. This will result in an average residential bill credit of 30 cents per month.

“The Commission took these actions to mitigate the impacts felt by customers as a result of higher-than-expected energy costs, coupled with potential high usage in the coming months,” said Frederick H. Hoover, Commission Chair.

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About the Public Service Commission:

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

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PUBLIC SERVICE COMMISSION

#4, 4/23/25 AM; ML#s 316774, 319193

May 29, 2025

John Frain
Director
Regulatory Strategy & Revenue Policy
Baltimore Gas and Electric Company
P. O. Box 1475
Baltimore, MD 21203-1475
John.frain@bge.com

Re: Case No. 9056 and 9064

Dear Mr. Frain:

The Public Service Commission (“Commission”) has reviewed Baltimore Gas and Electric Company’s (“BGE”) proposal to revise its Rider 1 - Standard Offer Service (“SOS”) Residential and Type I rates to include capacity costs effective June 1, 2025.¹ The Company’s proposal was considered at the Commission’s April 23, 2025 Administrative Meeting. Subsequently, on April 25, 2025, the Commission formally released a bench request, which BGE responded to on May 12, 2025, analyzing capacity costs recovered in four, six, and twenty-four month intervals.²

After considering the discussion presented at the April 23, 2025 Administrative Meeting and the record developed in this matter, the Commission selects a six-month period during which the Company will recover SOS-related capacity costs.³ While the Commission would not normally take such action, the Commission finds it in the interest of ratepayers to shift some recovery of supply costs to lower-cost months, in the interest of gradualism and avoidance of rate shock. The

¹ Maillog No. 316774.

² Maillog No. 319209, Bench DR 1-2 - Bench DR 1-4.

³ Maillog No. 319209, Bench DR 1-2.

Commission finds that the six-month period benefits ratepayers by flattening costs, and avoids increasing bills during peak months.

The Commission notes that BGE proposed to withdraw its March 14, 2025 filing in light of the Commission’s decision on May 28, 2025,⁴ which approved various SOS rates inclusive of capacity costs.⁵ For the reasons stated above, the Commission denies the requested withdrawal and directs the Company to file clean tariff pages reflective of the capacity costs recovered over the six months as discussed with an effective date of June 1, 2025.

By Direction of the Commission,

/s/ Andrew S. Johnston

Andrew S. Johnston
Executive Secretary

ASJ/st

⁴ BGE proposal to withdraw filing: “Supplement 732 to P.S.C. Md. E-6 Case Nos. 9056/9064 - Rider 1 – Standard Offer Service – Withdraw Filing” Case No. 9056/9064, May 28, 2025. Maillog No. 319193.

⁵ Commission decision approving SOS rates: Letter Order, May 28, 2025, #3, 5/28/25 AM; Maillog Nos. 318480 and 318702, RR-3544.

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PUBLIC SERVICE COMMISSION

#12, 5/28/25 AM; ML#s 317355, 317924, 319010, 319030, 319092, and 319157

May 29, 2025

Douglas E. Micheel
Assistant General Counsel
Delmarva Power & Light Company
EP9628
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Washington, DC 20068-0001
Demicheel@pepcoholdings.com

Re: Case No. 9681: Rate Year 2 Annual Informational Filing

Dear Mr. Micheel:

The Commission has reviewed the 2025 Year 2 Annual Informational Filing and proposed Rider MYP Adjustment Rates filed on April 1, 2024 by Delmarva Power & Light Company (“DPL”). Additional filings supplementing DPL’s request were submitted on April 11, 2025, May 20, 2025, and May 27, 2025. Furthermore, the Public Service Commission’s (“Commission”) Office of Staff Counsel (“Staff”) and Maryland Office of People’s Counsel (“OPC”) submitted comments on May 20, 2025 and May 22, 2025, respectively.

After considering this matter at the May 28, 2025 Administrative Meeting, the Commission accepted the proposed tariff pages with an effective date of July 1, 2025 and the proposed refund of approximately \$0.8 million. This decision does not close the record on DPL’s Annual Informational Filing, and OPC and other parties are still permitted to file comments responsive to DPL’s Annual Informational Filing on the previously authorized schedule. Upon receipt and review of parties comments, the Commission will determine if further action is necessary.¹

By Direction of the Commission,

/s/ Andrew S. Johnston

Andrew S. Johnston
Executive Secretary

ASJ/st

¹ The Commission is appreciative of Staff’s proactive filing on these issues.