PUBLIC SERVICE COMMISSION OF MARYLAND

2018 ANNUAL REPORT

For the Calendar Year Ending December 31, 2018

Pursuant to Section 2-122 of the Public Utilities Article, *Annotated Code of Maryland*

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Table of Contents

I. MEMBERSHIP OF THE COMMISSION 1

II. OVERVIEW OF THE COMMISSION 1

A. General Work of the Commission 1

B. Maryland Public Service Commission Organization Chart - 12/31/2018 4

C. Commission Membership in Other Regulatory Organizations 5

1. Washington Metropolitan Area Transit Commission 5

2. Mid-Atlantic Distributed Resources Initiative 6

3. Organization of PJM States, Inc. 7

4. National Association of Regulatory Utility Commissioners 8

5. Mid-Atlantic Conference of Regulatory Utility Commissioners 8

6. Regional Greenhouse Gas Initiative 9

7. Eastern Interconnection States' Planning Council 14

III. SUPPLIER DIVERSITY ACTIVITIES 14

A. Public Conference: Supplier Diversity Memoranda of Understanding - PC16 14

IV. COMMISSION ENERGY-RELATED CASES AND ACTIVITIES 19

A. Energy Efficiency- and Demand Response-Related Cases 19

1. EmPOWER Maryland - Case Nos. 9153, 9154, 9155, 9156, 9157 and 9362 (Cases consolidated into Case No. 9494) 19

2. Merger of Exelon Corporation and Constellation Energy Group, Inc. - Customer Investment Fund - Case No. 9271 20

B. Deployment of Advanced Meter Infrastructure/Smart Grid - Case Nos. 9207, 9208 and 9294 21

C. Electric Reliability-Related Cases 22

1. Review of Annual Performance Reports on Electric Service Reliability Filed Pursuant to COMAR 20.50.12.11 - Case No. 9353 22

D. Rate Cases 23

1. Application of the Town of Thurmont, Maryland for Authority to Increase its Rates for Electric Service - Case No. 9458 23

2. Application of Choptank Electric Cooperative, Inc. for Authority to Revise Its Rates and Charges for Electric Service - Case No. 9459 23

3. Application of Baltimore Gas and Electric Company for Approval of a New Gas System Strategic Infrastructure Development and

Enhancement Plan and Accompanying Cost Recovery Mechanism - Case No. 9468 ... 24

4. Application of Potomac Electric Power Company for Adjustments to Its Retail Rates for the Distribution of Electric Energy - Case No. 9472 ... 25

5. In The Matter of the Impact of the Federal Tax Cuts and Jobs Act of 2017 on Maryland Utility Rates - Case No. 9473 ... 25

6. Application of Columbia Gas of Maryland, Inc. for Authority to Adopt a New Infrastructure Replacement and Improvement Plan and Accompanying Cost Recovery Surcharge Mechanism - Case No. 9479 ... 26

7. Application of Columbia Gas of Maryland, Inc. for Authority to Increase Rates and Charges - Case No. 9480 ... 26

8. Application of Maryland-American Water Company for Authority to Adjust its Existing Schedule of Tariffs and Rates - Case No. 9487 ... 27

9. Application of Elkton Gas Company (Formerly Pivotal Utility Holdings, Inc. d/b/a Elkton Gas) for Authority to Increase Rates and Charges - Case No. 9488 ... 28

E. Certificates of Public Convenience and Necessity Cases - Applications, Modifications, and Waivers ... 29

1. Application of Massey Solar, LLC for a Certificate of Public Convenience and Necessity to Construct a 5.0 MW Solar Photovoltaic Generating Facility in Kent County, Maryland - Case No. 9407 ... 29

2. Application of Perennial Solar, LLC for a Certificate of Public Convenience and Necessity to Construct an 8.0 MW Solar Photovoltaic Generating Facility in Washington County, Maryland - Case No. 9408 ... 30

3. Application of LeGore Bridge Solar Center, LLC for a Certificate of Public Convenience and Necessity to Construct a 20.0 MW Solar Photovoltaic Generating Facility in Frederick County, Maryland - Case No. 9429 ... 30

4. Application of Egypt Road Solar, LLC for a Certificate of Public Convenience and Necessity to Construct a 49.5 MW Solar Photovoltaic Generating Facility in the City of Cambridge, Maryland - Case No. 9434 ... 31

5. Application of Jones Farm Lane Solar, LLC for a Certificate of Public Convenience and Necessity to Construct a 56.7 MW Solar Photovoltaic Generating Facility in Queen Anne's County, Maryland - Case No. 9436 ... 32

6. Application of CPV Maryland, LLC for a Certificate of Public Convenience and Necessity Authorizing the Modification of its St. Charles Generating Station - Case No. 9437 ... 32

7. Application of Biggs Ford Solar, LLC for a Certificate of Public Convenience and Necessity to Construct a 15.0 MW Solar Photovoltaic Generating Facility in Frederick County, Maryland - Case No. 9439 ... 33

8. Application of Casper Solar Center, LLC for a Certificate of Public Convenience and Necessity to Construct a 36.70 MW Solar Photovoltaic Generating Facility in Queen Anne's County, Maryland - Case No. 9450 34

9. Application of Chesapeake Solar, LLC for a Certificate of Public Convenience and Necessity to Construct a 9.0 MW Solar Photovoltaic Generating Facility in Cecil County, Maryland - Case No. 9451 34

10. Application of Brick Kiln Road Solar, LLC for a Certificate of Public Convenience and Necessity to Construct a 5.4 MW Solar Photovoltaic Generating Facility in Wicomico County, Maryland - Case No. 9454.............. 35

11. Application of Richfield Solar Energy, LLC for a Certificate of Public Convenience and Necessity to Construct a 50.0 MW Solar Photovoltaic Generating Facility in Dorchester County, Maryland - Case No. 9457............. 35

12. Application of MD Solar 2, LLC for a Certificate of Public Convenience and Necessity to Construct a 27.5 MW Solar Photovoltaic Generating Facility in Charles County, Maryland - Case No. 9463 36

13. Application of MD Solar 1, LLC for a Certificate of Public Convenience and Necessity to Construct a 32.5 MW Solar Photovoltaic Generating Facility in Charles County, Maryland - Case No. 9464 37

14. Application of TPE Maryland Solar Land Holdings, LLC for a Certificate of Public Convenience and Necessity to Construct a 2.425 MW Solar Photovoltaic Generating Facility in Prince George's County, Maryland - Case No. 9465 37

15. Application of TPE Maryland Solar Land Holdings, LLC for a Certificate of Public Convenience and Necessity to Construct a 2.25 MW Solar Photovoltaic Generating Facility in Prince George's County, Maryland - Case No. 9466 38

16. Application of Energy Ventures IPP, LLC for a Certificate of Public Convenience and Necessity to Construct a 10 MW Solar Photovoltaic Generating Facility in Prince George's County, Maryland - Case No. 9469.. 38

17. Application of the Potomac Edison Company for a Certificate of Public Convenience and Necessity to Modify the Ringgold-Catoctin-Transmission Line in Frederick and Washington Counties, Maryland - Case No. 9470 39

18. In the Matter of the Application of Transource Maryland LLC for a Certificate of Public Convenience and Necessity to Construct Two New 230 kV Transmission Lines Associated with the Independence Energy Connection Project in Portions of Harford and Washington Counties, Maryland - Case No. 9471 39

19. Application of Cherrywood Solar I LLC for a Certificate of Public Convenience and Necessity to Construct 202 MW Solar Photovoltaic Generating Facility in Caroline County, Maryland - Case No. 9477 40

20. Application of CP Crane, LLC for a Certificate of Public Convenience and Necessity Authorizing the Modification of the Charles P. Crane Generating Station in Baltimore County, Maryland - Case No. 9482 41

21. Application of Citizens UB Solar, LLC for a Certificate of Public Convenience and Necessity to Construct a 9.9 MW Solar Photovoltaic Generating Facility in the Town of Union Bridge and Carroll County, Maryland - Case No. 9483 41

22. Application of Kieffer Funk, LLC for a Certificate of Public Convenience and Necessity to Construct a 11.8 MW Solar Photovoltaic Generating Facility in Washington County, Maryland - Case No. 9495 42

23. Application of Bluegrass Solar, LLC for a Certificate of Public Convenience and Necessity to Construct a 80 MW Solar Photovoltaic Generating Facility in the Queen Anne's County, Maryland - Case No. 9496 42

24. Application of Morgnec Road Solar Center, LLC for a Certificate of Public Convenience and Necessity to Construct a 45.0 MW Solar Photovoltaic Generating Facility in Kent County, Maryland - Case No. 9499 43

25. Application of Baltimore Gas and Electric Company for a Certificate of Public Convenience and Necessity for the Key Crossing Reliability Initiative Transmission Line Project - Case No. 9600 43

F. Standard Offer Service-, Restructuring-, and Energy Competition-Related Cases 43

1. Electric Competition Activity - Case No. 8738 43

2. Results of the Standard Offer Services Solicitations for Residential and Type I (Small Commercial) Customers - Case Nos. 9056 and 9064 45

3. Review of Standard Offer Service Administrative Charge - Delmarva Power & Light Company - Case No. 9226 and Potomac Electric Power Company - Case No. 9232 46

4. Petition of NRG Energy, Inc., Interstate Gas Supply, Inc., Just Energy Group, Inc., Direct Energy Services, LLC, and ENGIE Resources, LLC for Implementation of Supplier Consolidated Billing for Electricity and Natural Gas in Maryland - Case No. 9461 46

G. Merger-, Transfer-, and Franchise-Related Cases 47

1. In the Matter of the Merger of Exelon Corporation and Pepco Holdings, Inc. - Case No. 9361 47

2. Merger of AltaGas Ltd and WGL Holdings, Inc. - Case No. 9449 48

3. Application of South Jersey Industries, Inc., Elkton Acquisition Corp., and Pivotal Holdings, Inc. d/b/a Elkton Gas for Authority to Sell and Transfer Substantially All Elkton Gas's Assets Including Natural Gas

Franchises to Elkton Acquisition Corp. and For All Related Authorizations and Approvals - Case No. 9475 49

H. Other Matters 49

1. Kevin M. Sills on Behalf of Mid-Atlantic Real Estate Investments, Inc. v. Potomac Electric Power Company - Case No. 9442 49

2. Service Terminations by Potomac Electric Power Company - Case No. 9444 and Service Terminations by Washington Gas Light Company - Case No. 9445 50

3. New Frontiers Telecommunications, Inc. v. Verizon Maryland LLC - Case No. 9452 51

4. Matthew L. Loiacono v. Southern Maryland Electric Cooperative, Inc. - Case No. 9474 52

5. William E. Lowry v. Baltimore Gas and Electric Company - Case No. 9489 52

6. Nkem Egede v. Southern Maryland Electric Cooperative - Case No. 9491 53

7. Donna Berry v. Baltimore Gas and Electric Company - Case No. 9497 54

8. William Steverson v. Potomac Electric Power Company - Case No. 9498 54

I. Rulemakings and Regulations - New and Amended 55

1. RM63-Revisions to COMAR 20.50.12.03 - Service Supplied by Electric Companies - Service Quality and Reliability Standards - Poorest Performing Feeder Standard 55

2. RM65-Revisions to COMAR 20.31.01.02 and COMAR 20.31.03.06 - Terminations of Service 55

J. Public Conferences 56

1. PC44-In the Matter of Transforming Maryland's Electric Distribution Systems to Ensure That Electric Service is Customer-centered, Affordable, Reliable, and Environmentally Sustainable in Maryland. 56

2. PC50-2018 Retail Gas Market Conference 60

V. COMMISSION TELECOMMUNICATIONS CASES AND ACTIVITIES ... 61

A. Cases 61

1. Tariffing Requirements for Competitive Local Exchange Telephone Companies with 20,000 or Fewer Subscribers - Case No. 9414 61

B. Rulemakings 62

1. RM64-Revisions to COMAR 20.45.09.03 - Intrastate Switched Access Rates 62

VI. COMMISSION TRANSPORTATION CASES AND ACTIVITIES 62

1. RM58-Revisions to COMAR 20.90.01, .02, and .03 - Taxicabs 62

2. RM60-Revisions to COMAR 20.90 and COMAR 20.95 - Screening Standards 63

VII. COMMISSION WATER/SEWER CASES 64

A. Investigation by the Commission of the Intended Abandonment of CECO Utilities, Inc. of its Franchise and Service to the Manchester Park Subdivision in Cecil County, Maryland - Case No. 9310 64

B. Formal Complaint of Richard D. Boltuck v. Washington Suburban Sanitary Commission - Case No. 9391 65

VIII. COMMISSION PARTICIPATION OR INTERVENTIONS IN OTHER REGULATORY COMMISSION MATTERS 66

A. Delaware and Maryland State Commissions v. PJM (Artificial Island Complaint)-EL15-95.. 66

B. SMECO/Choptank Complaint against Maryland Community Solar Generation System Regulations-FERC Docket No. EL16-107....................... 67

C. Intra-PJM Extra High Voltage [500 kV and Above] Cost Allocation - FERC Docket EL05-121.. 69

D. Electric Transmission Plant Abandonment Cost 70

E. State Policies and Wholesale Capacity Markets-FERC Docket Nos. ER18-1314, EL16-149 and EL18-178.. 71

F. Transource Market Efficiency Transmission Project-FERC Docket No. ER17-419 72

G. Eastern Shore Natural Gas Rate Case-FERC Docket No. RP17-363............... 73

H. Bulk Power System Resilience-FERC Docket No. AD18-7 73

I. BGE Transmission Rate Revisions-FERC Docket No. ER17- 528; *Baltimore Gas and Electric Company v. FERC*, DC Circuit No. 18-1298 74

J. Title VI Complaint Regarding Issuance of CPCN to Mattawoman Energy, LLC for 990 MW Natural Gas-Fired Power Plant in Brandywine, Maryland 74

K. New York Independent System Operator (NYISO)-PJM Interregional Agreements-FERC Docket No. EL18-54 76

L. Variable Operations and Maintenance Costs-FERC Docket No. EL19-8........ 76

IX. PJM INTERCONNECTION, INC. - THE RELIABILITY PRICING MODEL 2021/2022 DELIVERY YEAR BASE RESIDUAL AUCTION RESULTS 77

X. BROADENED OWNERSHIP ACT 78

XI. REPORTS OF THE AGENCY’S DEPARTMENTS/DIVISIONS 81

A. Office of Executive Secretary (*Terry J. Romine, Executive Secretary*) 81
1. Administrative Division 81
2. Fiscal Division 83
3. Information Technology Division 84
4. Consumer Affairs Division 84
B. Office of General Counsel (*H. Robert Erwin, General Counsel*) 86
C. Office of the Executive Director (*Anthony Myers, Executive Director*) 93
1. Accounting Investigations Division (*Jamie Smith, Director*) 93
2. Electricity Division 94
3. Energy Analysis and Planning Division (*Daniel Hurley, Director*) 96
4. Engineering Division (*John Borkoski, Chief Engineer*) 98
5. Staff Counsel Division (*Leslie Romine, Chief Staff Counsel*) 107
6. Telecommunications, Gas, and Water Division (*Juan Alvarado, Director*) 108
7. Transportation Division (*Christopher Koermer, Director*) 110
D. Public Utility Law Judge Division (*Ryan C. "Chuck" McLean, Chief Public Utility Law Judge*) 113
XII. RECEIPTS AND DISBURSEMENTS FY 2018 116

I. MEMBERSHIP OF THE COMMISSION

The Public Service Commission (Maryland PSC or Commission) consists of the Chairman and four Commissioners, each appointed by the Governor with the advice and consent of the Senate. The term of the Chairman and each of the Commissioners is five years and those terms are staggered. All terms begin on July 1. As of December 31, 2018, the following persons were members of the Commission:

	Term Expires
Jason M. Stanek, Chairman	June 30, 2023[1]
Michael T. Richard, Commissioner	June 30, 2020
Anthony J. O'Donnell, Commissioner	June 30, 2021
Odogwu Obi Linton, Commissioner	June 30, 2022
Mindy L. Herman, Commissioner	June 30, 2019[2]

II. OVERVIEW OF THE COMMISSION

A. General Work of the Commission

In 1910, the Maryland General Assembly established the Commission to regulate public utilities and for-hire transportation companies doing business in Maryland. The categories of regulated public service companies and other regulated or licensed entities are listed below:

- electric utilities;
- gas utilities;
- combination gas and electric utilities;
- competitive electric suppliers;
- competitive gas suppliers;

[1] Chairman W. Kevin Hughes stepped down June 30, 2018. Chairman Stanek was sworn in on July 6, 2018 and confirmed by the Maryland State Senate on February 15, 2019.
[2] Commissioner Herman was reappointed and confirmed in 2019 to a term that expires June 30, 2024.

- ♦ telecommunications companies;
- ♦ water, and water and sewerage (privately-owned) companies;
- ♦ bay pilots;
- ♦ docking masters;
- ♦ passenger motor vehicle carriers (e.g., Transportation Network Companies, buses, limousines, sedans);
- ♦ railroad companies;[3]
- ♦ taxicabs operating in the City of Baltimore, Baltimore County, St. Mary's County, Cumberland, and Hagerstown;
- ♦ hazardous liquid pipelines; and
- ♦ other public service companies.

The jurisdiction and powers of the Commission are found in the Public Utilities Article, *Annotated Code of Maryland*. The Commission's jurisdiction, however, is limited to intrastate service. Interstate transportation is regulated in part by the U.S. Department of Transportation; interstate and wholesale activities of gas and electric utilities are regulated by the Federal Energy Regulatory Commission (FERC); and interstate telephone service, Voice over Internet Protocol and cable services are regulated by the Federal Communications Commission.

Under its statutory authority, the Commission has broad authority to supervise and regulate the activities of public service companies and for-hire carriers and drivers. It is empowered to hear and decide matters relating to, among others, (1) rate adjustments, (2) applications to exercise or abandon franchises, (3) applications to modify the type or scope of service, (4) approval of issuance of securities, (5) promulgation of new rules and regulations, (6) mergers or acquisitions of electric companies or gas companies, and (7) quality of utility and common carrier service. The

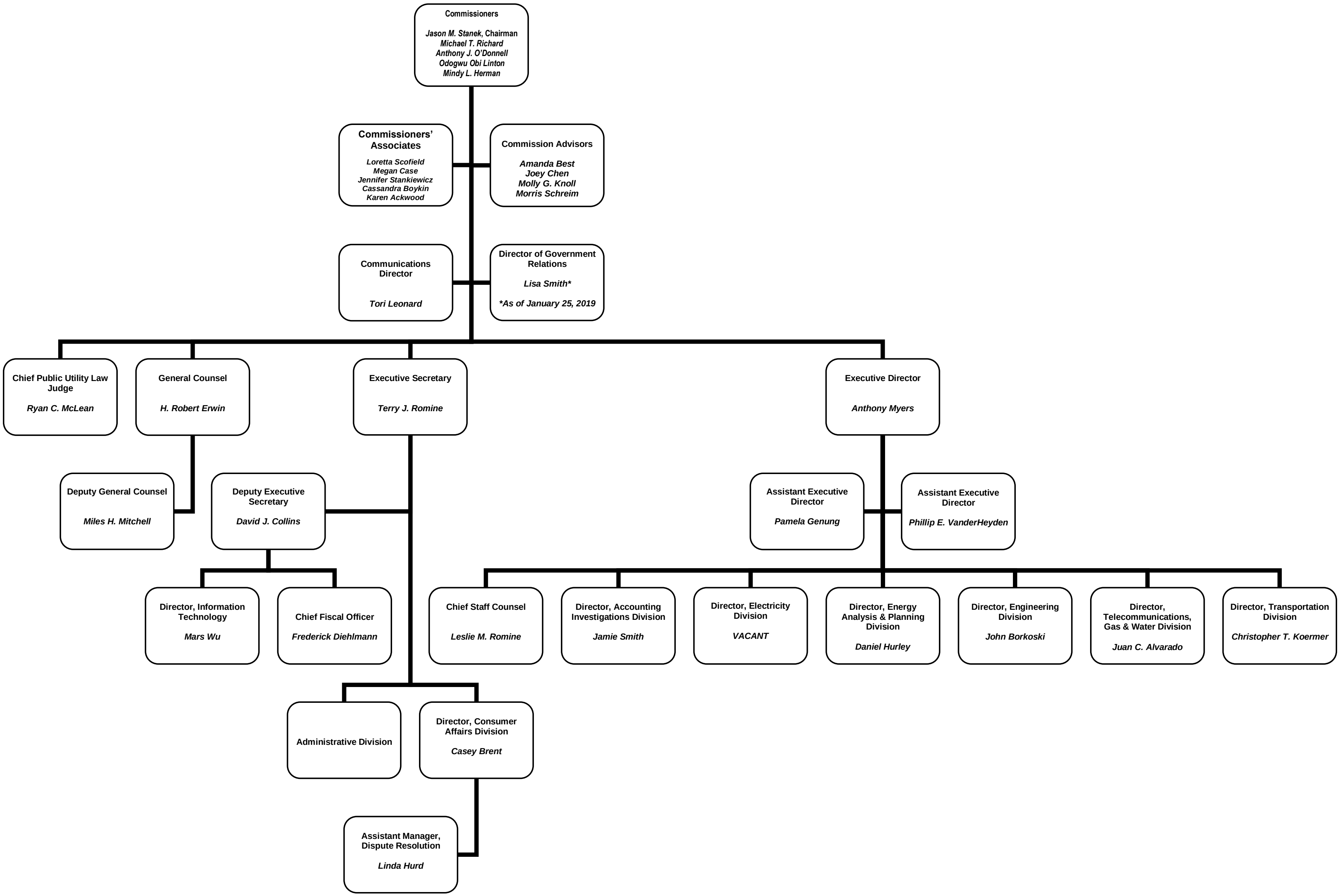
[3] The Commission has limited jurisdiction over railroad companies: (1) the companies must be organized under Maryland law and (2) only over certain conditions and rates for intrastate services.

Commission has the authority to issue a Certificate of Public Convenience and Necessity (CPCN) to construct or modify a new generating plant, a qualified generator lead line, or a transmission line designed to carry a voltage in excess of 69,000 volts. In addition, the Commission collects and maintains records and reports of public service companies, reviews plans for service, inspects equipment, audits financial records, handles consumer complaints, issues passenger-for-hire permits and drivers' licenses, enforces its rules and regulations, defends its decisions on appeal to State courts, and intervenes in relevant cases before federal regulatory commissions and federal courts.

During the calendar year 2018, the Commission initiated 30 new non-transportation-related dockets, conducted approximately 58 en banc hearings (legislative-style, evidentiary, or evening hearings for public comments as well as status conferences, discovery disputes, and prehearing conferences), held 12 rulemaking sessions, participated in two public conferences, and presided over 46 administrative meetings. Also, the Commission actively participated in the 90-day General Assembly legislative session for 2018, by submitting comments on bills affecting public service companies, participating in work groups convened by Senate or House committees or sub-committees, and testifying before various Senate and House committees and sub-committees.

In addition, on June 12, 2018, the Commission formally dedicated its main hearing room in the name of former Chairman Frank O. Heintz, who led the Commission from 1982-1995. Chairman Heintz passed away in January 2018.

B. Maryland Public Service Commission Organization Chart – 12/31/2018



C. Commission Membership in Other Regulatory Organizations

1. Washington Metropolitan Area Transit Commission

The Washington Metropolitan Area Transit Commission (WMATC) was created in 1960 by the Washington Metropolitan Area Transit Regulation Compact (Compact)[4] for the purpose of regulating certain transportation carriers on a coordinated regional basis. Today, WMATC regulates private sector passenger carriers, including sightseeing, tour, and charter bus operators; airport shuttle companies; wheelchair van operators; and some sedan and limousine operators, transporting passengers for hire between points in the Washington Metropolitan Area Transit District (Metropolitan District).[5] WMATC also sets interstate taxicab rates between signatories in the Metropolitan District, which for this purpose only, includes Baltimore-Washington International Thurgood Marshall Airport (BWI) (except that this expansion of the Metropolitan District to include BWI does not apply to transportation conducted in a taxicab licensed by the State of Maryland or a political subdivision of the State of Maryland or operated under a contract with the State of Maryland). A Commissioner from the Maryland Public Service Commission is designated to serve on the WMATC.

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[4] The Compact is an interstate agreement among the State of Maryland, the Commonwealth of Virginia and the District of Columbia, which was approved by Congress in 1960. The Compact was amended in its entirety in 1990 (at Maryland's behest), and again in 2010 (to modify the articles regarding appointment of Commissioners to WMATC). Each amendment was enacted with the concurrence of each of the signatories and Congress's consent. The Compact, as amended, and the WMATC are codified in Title 10, Subtitle 2 of the Transportation Article, *Annotated Code of Maryland*.

[5] The Metropolitan District includes the District of Columbia; the cities of Alexandria and Falls Church of the Commonwealth of Virginia; Arlington County and Fairfax County of the Commonwealth of Virginia, the political subdivisions located within those counties; and that portion of Loudoun County, Virginia, occupied by the Washington Dulles International Airport; Montgomery County and Prince George's County of the State of Maryland, and the political subdivisions located within those counties; and all other cities now or hereafter existing in Maryland or Virginia within the geographic area bounded by the outer boundaries of the combined area of those counties, cities, and airports.

In May 2016, Governor Larry Hogan appointed **Commissioner Richard** to serve on the WMATC.

In fiscal year (FY) 2018, which is from July 1, 2017 through June 30, 2018, the WMATC accepted 267 applications to obtain, transfer, amend or terminate a WMATC certificate of authority (up from 229 in FY2017). The WMATC also initiated 172 formal investigations of carrier compliance with WMATC rules and regulations. The WMATC issued 634 orders in 439 formal proceedings in FY2018. There were 576 carriers holding a certificate of authority at the end of FY2018-down from 606 at the close of FY2017, which is still almost six times the 97 that held authority at the end of FY1990, before the Compact lowered barriers to entry beginning in 1991. The number of vehicles operated under WMATC authority was approximately 5,337 as of June 30, 2018. The WMATC processed 10 informal complaints against carriers in FY2018, up from nine in FY2017.

The Commission includes its share of the WMATC budget in its own budget. Budget allocations are based upon the population of the Compact signatories in the Compact region. In Maryland, this includes Montgomery and Prince George's counties, as noted above. The FY2018 WMATC budget was $891,000, and Maryland's share was $415,117, or 46.6% of the WMATC budget. In FY2018, the WMATC generated $174,050 in non-appropriations revenue (fees and forfeitures) that was returned to the signatories on a proportional basis, including $3,947 to Maryland.

2. Mid-Atlantic Distributed Resources Initiative

The Mid-Atlantic Distributed Resources Initiative (MADRI) was established in 2004 by the state regulatory utility commissions of Delaware, District of Columbia, Maryland, New Jersey, and Pennsylvania, along with the U.S. Department of Energy (DOE), the U.S. Environmental Protection Agency (EPA), FERC, and PJM

Interconnection, LLC (PJM). In 2008, the regulatory utility commissions of Illinois and Ohio became members of MADRI.

MADRI's position is that distributed generation should be able to compete with generation and transmission to ensure grid reliability and a fully functioning wholesale electric market. It was established to facilitate the identification of barriers to the deployment of distributed generation, demand response and energy efficiency resources in the Mid-Atlantic region, and determine solutions to remedy these barriers. Institutional barriers and lack of market incentives have been identified as the primary causes that have slowed deployment of cost-effective distributed resources in the Mid-Atlantic.

Facilitation support is provided by the Regulatory Assistance Project funded by DOE. The Commission participates along with other stakeholders, including utilities, FERC, service providers, and consumers, in discussions and actions of MADRI. **Commissioner Herman** serves as the Commission's representative on MADRI.

3. Organization of PJM States, Inc.

The Organization of PJM States, Inc. (OPSI) was incorporated as a non-profit corporation in May 2005. It is an inter-governmental organization comprised of 14 utility regulatory agencies, including the Commission. OPSI, among other activities, coordinates data/issues analyses and policy formulation related to PJM, its operations, its Independent Market Monitor, and related FERC matters. While the 14 OPSI members interact as a regional body, their collective actions, as OPSI, do not infringe on each of the 14 agencies' individual roles as the statutory regulators within their respective state boundaries. **Commissioner Richard** serves as the Commission's representative on the OPSI Board of Directors and was elected President in 2018.

4. National Association of Regulatory Utility Commissioners

The National Association of Regulatory Utility Commissioners (NARUC) is the national association representing the interests of the Commissioners from state utility regulatory agencies that regulate essential utility services, including energy, telecommunications, and water. NARUC members are responsible for assuring reliable utility service at fair, just, and reasonable rates. Founded in 1889, NARUC is an invaluable resource for its members and the regulatory community, providing a venue to set and influence public policy, share best practices, and foster innovative solutions to improve regulation. **Chairman Stanek** serves as a member of the Committee on Electricity and the Committee on International Relations. **Commissioner Richard** serves as a member of the Committee on Energy Resources and the Environment. **Commissioner O'Donnell** is Chair of the Subcommittee on Nuclear Issues-Waste Disposal and a member of the Committee on Electricity. **Commissioner Linton** was appointed Vice Chair of the Committee on Consumers and the Public Interest, is a member of the Committee on Gas, and the Supplier and Workforce Diversity Subcommittee. **Commissioner Herman** is a member of the Committee on Critical Infrastructure and the Committee on Water.

5. Mid-Atlantic Conference of Regulatory Utility Commissioners

The Commission also is a member of the Mid-Atlantic Conference of Regulatory Utility Commissioners (MACRUC), a regional division of NARUC comprised of the public utility commissions of Delaware, Kentucky, Maryland, New Jersey, New York, Ohio, Virginia, West Virginia, Pennsylvania, the District of Columbia, and the U.S. Virgin Islands. **Commissioner O'Donnell** served as the Commission's representative on MACRUC.

6. Regional Greenhouse Gas Initiative

Established in 2009, the Regional Greenhouse Gas Initiative (RGGI) is the first market-based regulatory program in the United States designed to stabilize and then reduce greenhouse gas emissions, specifically carbon dioxide (CO_2). RGGI, Inc.[6] is a nonprofit corporation formed to provide technical advisory and administrative services to participating states in the development and implementation of these CO_2 budget trading programs.[7] The original RGGI program, jointly designed by 10 Northeastern and Mid-Atlantic states,[8] envisioned a cap-and-trade program that stabilizes power plants' CO_2 emissions and then lowers that cap 10% by 2018. The participating states agreed to use an auction as the primary means to distribute allowances[9] to electric power plants regulated under coordinated state CO_2 cap-and-trade programs. All fossil fuel-fired electric power plants 25 megawatts or greater and connected to the electricity grid must obtain allowances based on their CO_2 emissions.

The RGGI Memorandum of Understanding (RGGI MOU) apportions CO_2 allowances among signatory states through a process that was based on historical emissions and negotiation among the participating signatory states. Together, the

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[6] The RGGI, Inc. Board of Directors is composed of two representatives from each member state, with equal representation from the states' environmental and energy regulatory agencies. Agency Heads (two from each state), also serving as board members, constitute a steering committee that provides direction to the Staff Working Group and allows in-process projects to be conditioned for Board review. Chairman Stanek and Secretary Ben Grumbles of the Maryland Department of the Environment serve on the Board on behalf of Maryland.

[7] The RGGI offices are located in New York City in space co-located with the New York Public Service Commission at 90 Church Street.

[8] Nine of the original 10 member states have continued their participation in the RGGI program for the third compliance period of January 1, 2015-December 31, 2017; New Jersey formally withdrew from the RGGI program effective January 1, 2012.

[9] An allowance is a limited permission to emit one short ton of CO_2.

emissions budgets of each signatory state comprise the regional emissions budget, or RGGI "cap."

Following a 2012 RGGI Program Review (as called for in the RGGI MOU), on February 7, 2013, the RGGI participating states announced an aggregate 45% reduction in the existing cap.[10] Effective January 2014, the regional budget was revised to 91 million short tons-consistent with current regional emissions levels. To lock in the emission reduction progress to date, and to further build upon this progress, the regional emissions cap and each participating state's individual emissions budget will decline 2.5% each year 2015 through 2020. Thus, the regional emissions budget decreased to 82.2 million short tons in 2018.

Table II.C.1: 2018 Regional Emissions Budget[11]

State	CO2 Allowances (short tons)
Connecticut	5,324,434
Delaware	3,763,577
Maine	2,961,611
Maryland	18,671,045
Massachusetts	13,083,598
New Hampshire	4,291,624
New York	32,016,597
Rhode Island	1,512,843
Vermont	610,269
Total	**82,235,598**

[10] In addition to announcing a revised regional cap, other programmatic changes included interim adjustments to the regional cap to account for privately banked allowances, the establishment of a cost containment reserve to serve as a flexibility mechanism in the unanticipated event of short-term price spikes, the addition of a U.S. Forests Offset Protocol; simplification of the minimum reserve price to increase it by 2.5% each year, and the creation of interim control periods for compliance entities.

[11] *Source: The Regional Greenhouse Gas Initiative*, https://www.rggi.org/sites/default/files/Uploads/Allowance-Tracking/2018_Allowance-Distribution.pdf

In 2018, RGGI held four auctions of CO_2 allowances. These auctions raised approximately \$45.4 million[12] for the State's Strategic Energy Investment Fund (Fund). Pursuant to § 9-20B-05(g) of the State Government Article, *Annotated Code of Maryland*, the proceeds received from January 1, 2018 through December 31, 2018 by the Fund, were allocated as follows:

> (1) at least 50% shall be credited to an energy assistance account to be used for the Electric Universal Service Program and other electric assistance programs in the Department of Human Services;
>
> (2) at least 20% shall be credited to a low and moderate income efficiency and conservation programs account for energy efficiency and conservation programs, projects, or activities and demand response programs, of which at least one-half shall be targeted to the low and moderate income efficiency and conservation programs account for: (i) the low-income residential sector at no cost to the participants of the programs, projects, or activities; and (ii) the moderate-income residential sector;
>
> (3) at least 20% shall be credited to a renewable and clean energy programs account for: (i) renewable and clean energy programs and initiatives; (ii) energy-related public education and outreach; and (iii) climate change and resiliency programs; and
>
> (4) up to 10%, but not more than \$5,000,000, shall be credited to an administrative expense account for costs related to the administration of the Fund, including the review of electric company plans for achieving electricity savings and demand reductions that the electric companies are required under law to submit to the [Maryland Energy] Administration.

During 2018, the nine RGGI states continued to engage in a comprehensive triennial program review commenced during 2016 for purposes of assessing the

[12] The calendar year 2018 auction proceeds represent an 11.5% increase compared to Maryland's 2017 auction proceeds of \$40.7 million.

program's effectiveness and whether certain programmatic elements should be revised. Throughout 2016 and 2017, the RGGI member states reviewed and considered stakeholder feedback on the program's successes and impacts to-date, whether further reductions to the RGGI regional cap may be warranted, other program design elements (e.g. the cost containment reserve), and the extensive electric sector modeling conducted by the RGGI states for purposes of evaluating potential revisions to the program. The RGGI states reviewed more than 120 separate comments submitted by experts, policymakers, and organizations, as well as more than 29,000 personal comments and petition signatures pertaining to program review.

As noted in last year's Annual Report, on August 23, 2017, the nine participating states announced consensus on a set of RGGI Program improvements, including a regional cap of 75,147,784 tons of CO_2 in 2021, which will decline by 2.275 million tons of CO_2 per year thereafter, resulting in a total 30% reduction in the regional cap from 2020 to 2030. Additionally, further adjustments to the RGGI cap were proposed to account for the full bank of excess allowances projected to exist at the end of 2020, effectuated through a formulaic adjustment and implemented over the period from 2021 to 2025. The RGGI states also agreed to modify the size and trigger price of the cost containment reserve beginning in 2021, as well as to implement an emissions containment reserve in 2021 wherein states will withhold allowances from circulation to secure additional emission reductions if prices fall below established trigger prices. Proposed amendments to the Model Rule designed to implement these programmatic changes were developed by RGGI state staff and released publicly on December 19, 2017.[13] The RGGI states, including Maryland, will undertake state-specific statutory and regulatory processes during 2018 to propose updates to their CO_2 Budget Trading Programs, consistent with the announced Model Rule.

Also of consequence to the RGGI Program in 2017 and 2018 were announcements by Virginia and New Jersey of their intention to join (or re-join in the case of New Jersey) RGGI. Draft regulations released by the Virginia Department of Environmental Quality (DEQ) in early November 2017, share many of the proposed improvements to the RGGI Program though 2030 that were announced by the RGGI states on August 23, 2017. The RGGI states held a meeting on January 26, 2018, to gather stakeholder input on the potential participation of Virginia in the RGGI market. In January 2019, the Virginia Department of Environmental Quality issued revised proposed regulations for emissions trading as a member of RGGI beginning in 2020. In January 2018, New Jersey Governor Phil Murphy issued an executive order mandating the Department of Environmental Protection and Board of Public Utilities to begin the process of re-participation in RGGI by January 2020. In December 2018, New Jersey released its CO2 Budget Trading Rule Proposal and its Global Warming Solutions Fund Rule Proposal. The RGGI states held a meeting on January 31, 2019 to gather stakeholder input on the potential participation of New Jersey in the RGGI market.

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[13] A summary of the proposed amendments to the RGGI Program, as detailed in the Model Rule, is available on RGGI, Inc.'s website.

7. Eastern Interconnection States' Planning Council

The Eastern Interconnection States' Planning Council (EISPC) is now a part of the National Council on Electricity Policy. The EISPC was a historic endeavor initially funded by the United States Department of Energy pursuant to a provision of the American Recovery and Reinvestment Act. The goal of EISPC has been to encourage and support collaboration among states in the Eastern Interconnection on critical energy issues, including electric transmission, gas-electric infrastructure, resource diversity, and energy resiliency and reliability. EISPC members include public utility commissioners, Governors' representatives, state energy officials, and other key government representatives throughout the 39 states, the City of New Orleans, the District of Columbia, and six Canadian provinces that comprise the Eastern Interconnection.

III. SUPPLIER DIVERSITY ACTIVITIES

A. Public Conference: Supplier Diversity Memoranda of Understanding-PC16

As reported in prior Annual Reports, 19 regulated entities[14] have entered into a Memoranda of Understanding (PC16 MOU) with the Commission in which each organization agreed voluntarily to develop, implement, and consistently report on its activities and accomplishments in promoting a strategy to support viable and prosperous

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[14] Association of Maryland Pilots; AT&T Corp.; Baltimore Gas and Electric Company; Chesapeake Utilities Corporation – Maryland Division; Choptank Electric Cooperative, Inc.; Columbia Gas of Maryland, Inc.; Comcast Phone of Northern Maryland Inc. and Comcast Business Communications, LLC; Delmarva Power & Light Company; Easton Utilities; First Transit's Baltimore Washington International Thurgood Marshall Airport Shuttle Bus Contract; Elkton Gas Company; Potomac Electric Power Company; Southern Maryland Electric Cooperative, Inc.; The Potomac Edison Company; Veolia Transportation Services, Inc.; Verizon Maryland LLC.; and Washington Gas Light Company (collectively, Signatories).

women-owned, minority-owned and service-disabled-veteran-owned business enterprises (diverse supplier). The PC16 MOU expressed each entity's commitment to use its best efforts to achieve a goal of 25% diverse supplier contracting (diverse spend); standardize the reporting methodology; and institute uniform annual plans and annual reports, in order to track the entity's compliance with the PC16 MOU goals. On July 24, 2018, a hearing was held to consider the results of the 2017 Annual Reports submitted by 15 of the applicable companies.

Diverse spend has more than doubled since 2009, which was the year of the first report after the signing of the MOU. The average annual growth in diverse spend from 2009-2017 is 13.72%. Diverse spend overall increased from $698.76 million in 2016 to $817.21 million for 2017, an increase of $118.5 million. The total diverse spend consists of four different categories: minority-owned enterprises (MOE), women-owned enterprises (WOE), service-disabled-veteran-owned enterprises (SDVOE), and not-for-profit workshops (NFPW). MOE received $504.55 million, WOE received $273.23 million, SDVOE received $39.42 million, and NFPW received $110,000.

The category MOE contains four major subgroups: African-American-owned businesses, American-Indian/Native-American-owned businesses, Asian-owned businesses, and Hispanic-owned businesses. Fourteen of the 15 signatories that provided reports for 2017 broke down their MOE spends by ethnicity; African-American-owned businesses accounted for 43.35% of the total MOE spend.

On October 5, 2018, the Commission filed a Public Determination as required in COMAR 20.08.01.04. The Commission noted that the companies participating in this voluntary program have nearly reached the overall program goal of achieving a 25% diverse spend. In 2017, the participating utilities, through the Utility Forum, proposed two changes to the Commission's Supplier Diversity Program: (1) implementing amendments to the MOUs to include Tier II indirect spend, and (2) expanding the diverse spend categories to include veteran and LGBT-owned firms. The Commission will explore how including indirect spend would impact existing reporting, which may require revisions to short- and long-term goals. While the Commission acknowledged some benefit to including utility spend with veteran and LGBT-owned firms, it concluded that further information is necessary to evaluate the impact the inclusion of these new categories would have on the Supplier Diversity Program, its short- and long-term goals, and the program's overall aspirational goal.

Table 1 - Achieved - 2017

Table 1 shows the program expenditures as reported by the companies and the percentage of spend as compared to each utility's total spend. Certain types of expenses are excluded from the tabulation, being either single-sourced or are inapplicable to the diversity program.[15]

Table 1 – Achieved - 2017		
Companies	**Total diverse supplier procurement ($)**	**Percentage of diverse supplier procurement to total company procurement**
Association of MD Pilots	$448,000	**39.54%**
AT&T	$18,270,000	**26.75%**
BGE	$251,840,000	**29.70%**
CenturyLink	N/A	N/A
Chesapeake Utilities	$982,000	7.64%
Choptank	$2,290,000	8.00%
Columbia Gas	$2,520,000	14.83%
Comcast	$102,150,000	**26.71%**
Delmarva	$77,990,000	20.29%
Easton Utilities	$181,000	4.78%
Elkton Gas	$200,000	19.54%
First Transit BWI Airport	N/A	N/A
Potomac Edison	$13,830,000	**34.41%**
Pepco	$149,760,000	**25.73%**
SMECO	$13,830,000	15.95%
Veolia	N/A	N/A
Verizon	$65,860,000	19.09%
WGL	$117,010,000	23.96%
Total	**$817,210,000**	**24.84%**

[15] Sources of exempted spend are agreed to in advance and can be found in the respective entity's PC16 MOU.

Table 2 - Procurement by Diverse Group

In Table 2, the amounts and percentages from Table 1 are further broken down into percentage of the expenditures by diversity classification.

Table 2 – 2017 Procurement by Diverse Group				
Companies	**Minority Owned**	**Women Owned**	**Service-Disabled Veteran-Owned**	**Not-for-Profit Workshops**
Association of MD Pilots	20.61%	79.09%	.29%	0.00%
AT&T	68.58%	27.75%	3.66%	0.00%
BGE	59.63%	41.28%	1.79%	0.00%
CenturyLink	N/A	N/A	N/A	N/A
Chesapeake Utilities	11.05%	88.95%	0.00%	0.00%
Choptank	13.86%	86.13%	0.01%	0.17%
Columbia Gas	29.89%	70.11%	0.00%	0.00%
Comcast	65.82%	32.07%	1.00%	0.00%
Delmarva	47.3%	52.23%	0.47%	0.00%
Easton Utilities	61.89%	38.11%	0.00%	0.00%
Elkton Gas	51.91%	48.09%	0.00%	0.00%
First Transit BWI Airport	N/A	N/A	N/A	N/A
Potomac Edison	34.38%	65.56%	0.06%	0.00%
Pepco	84.27%	15.48%	0.24%	0.00%
SMECO	44.33%	49.69%	5.98%	0.58%
Veolia	N/A	N/A	N/A	N/A
Verizon	46.16%	8.73%	45.12%	0.00%
WGL	67.18%	32.35%	0.47%	0.01%

IV. COMMISSION ENERGY-RELATED CASES AND ACTIVITIES

A. Energy Efficiency- and Demand Response-Related Cases

1. EmPOWER Maryland - Case Nos. 9153, 9154, 9155, 9156, 9157 and 9362 (Cases consolidated into Case No. 9494)

Under Public Utilities Article, § 7-211, as amended and mandated by the EmPOWER Maryland Energy Efficiency Act of 2008, the five largest electric utilities in the State[16] were responsible for achieving a 10% reduction in the State's energy consumption and a 15% reduction of peak demand by 2015. In 2017, the Article was amended to set electricity usage targets for the 2018-2020 and the 2021-2023 EmPOWER Maryland program cycles of 2% per year calculated as a percentage of each utility's 2016 weather-normalized gross retail sales and electricity losses.

The EmPOWER Maryland programs achieved, on a program-to-date basis, the following results through the third quarter of 2018:

- The EmPOWER MD utilities' programs have saved a total of 7,096,551 MWh and 2,140 MW, and either encouraged the purchase of or installed approximately 81.0 million energy-efficient measures.
- More than 32,000 (32,021) low-income customers participated in the EmPOWER Limited Income Programs.
- The EmPOWER MD utilities have spent over $2.54 billion on the EmPOWER Maryland programs, including approximately $1.6 billion on energy efficiency and conservation (EE&C) programs and $744 million on demand response (DR) programs.

[16] The utilities are The Potomac Edison Company (PE), Baltimore Gas and Electric Company (BGE), Delmarva Power & Light Company (DPL), Potomac Electric Power Company (Pepco), and Southern Maryland Electric Cooperative, Inc. (SMECO).

- The expected savings associated with EmPOWER Maryland programs is approximately $7.7 billion over the life of the installed measures for the EE&C programs.

- The average monthly residential bill impact of EmPOWER Maryland surcharges[17] for 2018 were as follows:

	EE&C	DR	Dynamic Pricing[18]	Total
BGE	$4.34	$2.87	-$0.11	$7.10
DPL	$5.87	$1.56	-$1.06	$6.37
PE	$6.93	N/A	N/A	$6.93
Pepco	$5.85	$2.90	-$0.48	$8.27
SMECO	$5.91	$3.79	N/A	$9.70

- Washington Gas & Light Company has saved a total of 1,698,312 therms through its programs since beginning in 2015.

2. Merger of Exelon Corporation and Constellation Energy Group, Inc. - Customer Investment Fund - Case No. 9271

As reported in the 2012 Annual Report, the Commission approved 16 programs that will utilize $112 million of the $113.5 million Customer Investment Fund (CIF), for the purposes of providing energy efficiency and low income energy assistance to BGE customers. On February 2, 2018, the Commission issued Order No. 88554 addressing CIF Recipients' annual reports for CIF funded programs during fiscal year (FY) 2017. The order granted the Maryland Energy Administration's (MEA) request to extend its Net Zero Energy Schools Program through FY 2021 and authorized Baltimore City to continue implementing CIF programs through FY 2019. Further, the order required

[17] Assumes an average monthly usage of 1,000 kilowatt hours (kWh), and the figures do not include customer savings.
[18] BGE, Pepco, and DPL offered a Peak Time Rebate program in the summer of 2017 for residential customers with activated smart meters. The difference between rebates paid to participants and revenues received from PJM markets are trued-up in the EmPOWER Maryland surcharge.

continuation of the revolving loan fund programs offered by MEA and Comprehensive Housing Assistance, Inc. (CHAI) until such time that all CIF monies are depleted.

Final CIF program reports were received and accepted for the Fuel Fund of Maryland, CHAI, Baltimore County's Sustainable Dundalk Initiative, and MEA's Small Business Energy Advance and Next Generation Energy Efficiency Gains for the Industrial Sector Programs. The Commission has not issued notice of any future CIF hearings. The Commission will continue to receive annual reports on all CIF-funded programs operating into FY 2019.

B. Deployment of Advanced Meter Infrastructure/Smart Grid - Case Nos. 9207, 9208 and 9294

The Commission approved Smart Grid Initiatives for BGE (Case No. 9208) in 2010, Pepco (Case No. 9207) in 2010, DPL (Case No. 9207) in 2012, and SMECO (Case No. 9294) in 2013. As of September 30, 2018, approximately 2.9 million electric and gas meters (aka "smart meters") have been installed across the state. BGE has installed over 1.9 million electric meters and gas modules, and has completed its initial deployment of smart meters. BGE continues to work to install meters in hard to access locations in an effort to reduce the current level of opt-out customers. In 2018, the percentage of opt-out customers dropped from 3.6% to 3.3% and the goal is to lower the opt-out percentage to 1.0%. Pepco and DPL have finished deploying smart meters with the final totals for each company being 560,851 and 211,115 smart meters, respectively. Pepco and DPL have less than 1.0% of its customers categorized as opt-out (0.3% and 0.6%, respectively). SMECO completed the deployment of smart meters in the first quarter of 2018 and has installed 165,209 smart meters, with an opt-out percentage of 0.24%.

C. Electric Reliability-Related Cases

1. Review of Annual Performance Reports on Electric Service Reliability Filed Pursuant to COMAR 20.50.12.11 - Case No. 9353

In May 2014, the Commission initiated the docket, Case No. 9353, to conduct its required annual review of the service quality and reliability performance reports filed by the applicable electric companies by April 1 of each year. Reports were filed on or about April 1, 2018, by each of the applicable electric companies, and comments on the reports were due by July 19, 2018.

On July 27, 2018, the Commission held a legislative-style hearing for the purpose of reviewing the April 2018 reports and to determine whether the electric companies each met the applicable COMAR service quality and reliability standards. At the request of BGE, Delmarva, and Pepco, the second day of the hearing was delayed until August 28, 2018. On September 4, 2018, the Commission issued Order No. 88814, in which it accepted the service quality and reliability annual reports filed by BGE, Pepco, Delmarva, Potomac Edison, Choptank, and SMECO. Additionally, the Commission noted the Corrective Action Plans filed by BGE, Delmarva, PE, Pepco, Choptank, and SMECO.

In the Order, the Commission also directed SMECO to file by October 31, 2018, an interim assessment of the effectiveness of its remediation plan regarding SAIDI and SAIFI by October 31, 2018, including updated 2018 SAIFI and SAIDI data through the third quarter of 2018. SMECO filed its interim assessment on October 31, 2018.

As noted in the 2017 Annual Report, the Commission directed Staff to reconvene the workgroup related to poorest performing feeders (PPF) and repeat poorest performing feeders and to file a progress report, including the group's discussions and recommendations, by January 30, 2018. Additionally, Staff was directed to lead a workgroup addressing future system-wide reliability targets for years 2020 through 2022. The work group, which included all six electric companies and other interested parties, filed a progress report on January 30, 2018, summarizing the work group discussion and its recommendations to align all Maryland electric companies' PPF selection criterion with a methodology that balances cost and reliability by addressing true outliers in feeder reliability performance.

D. Rate Cases

1. Application of the Town of Thurmont, Maryland for Authority to Increase its Rates for Electric Service - Case No. 9458

On September 8, 2017, the Town of Thurmont filed an application for authority to increase its rates for electric service along with proposed tariff revisions. On September 12, 2017, by Order No. 88380, the Commission initiated a new docket, Case No. 9458, to consider the application, suspended the proposed tariff revisions, and delegated the matter to the Public Utility Law Judge Division. On December 6, 2017, an evening hearing for public comments was held in Thurmont, Maryland. On January 4, 2018, the parties entered into a settlement in principle, and a unanimous settlement agreement was filed on January 31, 2018. On February 23, 2018, an evidentiary hearing was held in the matter. A proposed order was issued on March 1, 2018. No appeal of the proposed order was taken, and it became Order No. 88628.

2. Application of Choptank Electric Cooperative, Inc. for Authority to Revise Its Rates and Charges for Electric Service - Case No. 9459

On September 12, 2017, Choptank Electric Cooperative, Inc., filed an application to increase to its revenue by approximately $8.3 million, a 1.94 Modified Debt Service

Coverage ratio, to increase both customer charges and minimum monthly charge, and other various tariff charges. On September 13, 2017, the Commission initiated a new docket, Case No. 9459, to consider the application and suspended the proposed tariff revisions. After conducting evidentiary hearings on January 8-9, 2018, filing of briefs, and conducting an evening hearing on February 1, 2018, on February 27, 2017, a proposed order was issued which authorized Choptank to increase its electric distribution rates by $5,573,573, but denied Choptank's proposed increases to the customer charges and minimum monthly charge. Instead, Choptank was authorized to increase both the residential customer charge and the minimum monthly charge by 50 cents based upon the acceptance of Choptank's proposed 100% allocation of advanced meter infrastructure costs as customer-related. On March 9, 2018, Choptank and Staff appealed the proposed order. On April 10, 2018, the Commission issued Order No. 88641 in which a quorum of the Commissioners affirmed the proposed order, with two Commissioners issuing a dissenting opinion.

3. Application of Baltimore Gas and Electric Company for Approval of a New Gas System Strategic Infrastructure Development and Enhancement Plan and Accompanying Cost Recovery Mechanism - Case No. 9468

On December 1, 2017, BGE filed an application for approval by the Commission of its new gas system strategic infrastructure development and enhancement (STRIDE 2) plan for the five-year period beginning January 1, 2019, and ending December 31, 2023, and its STRIDE 2 surcharge mechanism. A prehearing conference was held on January 4, 2018, and a procedural schedule was adopted. Evidentiary hearings were held March 20, 22–23, 2018. The Commission also held two evening hearings for public comment in locations within BGE's service territory. On May 30, 2018, Order No. 88714 was issued approving the plan and the accompanying surcharge.

4. Application of Potomac Electric Power Company for Adjustments to Its Retail Rates for the Distribution of Electric Energy - Case No. 9472

On January 2, 2018, Pepco filed an application for a $41.4 million increase to its retail rates for electric service. A pre-hearing conference was held on January 31, 2018. A Joint Motion for Approval of Agreement of Stipulation and Settlement was filed on April 20, 2018, resulting in a $15 million decrease in Pepco's annual electric distribution revenues. An evidentiary hearing on the settlement was held on May 16, 2018. In addition, evening public comment hearings were held on May 14 and 22, 2018, in Largo, Maryland and Rockville, Maryland, respectively. On May 31, 2018, the Commission issued Order No. 88719 approving the settlement.

5. In The Matter of the Impact of the Federal Tax Cuts and Jobs Act of 2017 on Maryland Utility Rates - Case No. 9473

On January 12, 2018, the Commission launched a proceeding to explore how electric, gas, telecommunications and water utility customers could benefit from the federal Tax Cuts and Jobs Act of 2017 (TCJA), which went into effect on January 1, 2018. The lowering of the corporate tax rate from 35% to 21% could result in savings to utility companies that could be passed on to utility customers in the form of lower rates. In order to examine the impacts of the TCJA on the rates and charges of Maryland utilities, the Commission directed all Maryland gas, electric, incumbent local exchange telephone companies, and water companies whose rates are explicitly grossed up for taxes, to track the impacts beginning January 1, 2018.

The companies had to file with the Commission by February 15, 2018, an explanation of the expected effects of the impacts of the TCJA on their expenses and revenues, and explain when and how they expect to pass through those effects to their customers. All utilities made filings with regard to their plans to return the tax savings to customers. The Commission considered and approved the utilities' filings. As a result, nearly $160 million has been or is expected to be returned to ratepayers.

6. Application of Columbia Gas of Maryland, Inc. for Authority to Adopt a New Infrastructure Replacement and Improvement Plan and Accompanying Cost Recovery Surcharge Mechanism - Case No. 9479

On April 6, 2018, pursuant to Section 4-210 of the Public Utilities Article, Columbia Gas of Maryland, Inc. filed an application for authority to adopt a new strategic infrastructure development and enhancement (STRIDE) plan and accompanying cost recovery surcharge mechanism to become effective January 1, 2019. The Commission initiated a new docket, Case No. 9479, to consider the application and delegated the matter to the Public Utility Law Judge Division. Two evening hearings for public comment were held in July 2018, in Hagerstown and Cumberland, Maryland, respectively. Prior to the scheduled evidentiary hearings, the parties reached a settlement in principle as to all issues in the case. On August 28, 2018, a proposed order approving the Stipulation and Settlement Agreement and Columbia's STRIDE II Plan was issued. No appeal of the proposed order was taken, and it became Order No. 88852.

7. Application of Columbia Gas of Maryland, Inc. for Authority to Increase Rates and Charges - Case No. 9480

On April 13, 2018, Columbia Gas of Maryland, Inc. filed an application for an increase to its retail rates for electric service and certain rate design changes. Columbia requested an increase of approximately $6 million (13.29%) in revenues, a return on equity of 10.90%, and recovery of environmental remediation costs. On July 18, 2017 and July 19, 2017, evening hearings were held in Hagerstown and Cumberland, Maryland, respectively. Prior to the evidentiary hearings, the parties filed a settlement agreement that resolved all issues with the exception of the recovery of environmental remediation costs which would be litigated. The settlement agreement proposed, in pertinent part, an increase of $3.7 million in Columbia's annual revenue requirement, and an increase in the residential class system charge to $14.82. On July 31, 2018, an evidentiary hearing was held to admit all the pre-filed testimony, the settlement and supporting testimony, and the remaining litigated issue. On October 2, 2018, a proposed order was issued approving the settlement and Columbia's recovery of $318,313 of environmental remediation costs. On October 16, 2018, the Office of People's Counsel appealed the approved recovery of environmental remediation costs. On November 21, 2018, the Commission issued Order No. 88923 affirming the proposed order.

8. Application of Maryland-American Water Company for Authority to Adjust its Existing Schedule of Tariffs and Rates - Case No. 9487

On June 28, 2018, Maryland-American Water Company filed an application to adjust its existing schedule of tariffs and rates for water service. The requested increase in operating revenues of $1,837,668 was due in large part to utility plant additions for the construction of the new Bel Air Impoundment. On June 29, 2018, by Order No. 88760, the Commission initiated a new docket, Case No. 9487, to consider the application and suspended the proposed tariff revisions. An evening hearing for public comment was held on October 22, 2018 in Bel Air, Maryland. On October 18, 2018, the Office of

People's Counsel notified the Commission that the parties had reached a settlement in principle. On October 25, 2018, the Town of Bel Air withdrew as a party. On October 26, 2018, at the request of Maryland-American Water Company, the Commission suspended the proposed tariff revisions for 180 days from August 27, 2018. On October 31, 2018, Warwick Apartments Associates Limited Partnership, Hickory Condo, LLC, Residential Real Estate Holdings, LLC, and Del Plaza Properties, LLC filed a joint Petition to Intervene, that was subsequently joined by Hickory Hills Condominium Association, Inc. On November 1, 2018, the Applicant, Staff, and the Office of People's Counsel filed a Joint Petition for Adoption of Stipulation and Settlement. On November 8, 2018, the Petition to Intervene was granted. On November 19, 2018, a settlement hearing was held to consider the settlement and admit pre-filed testimony, and the intervenors presented testimony in opposition to the settlement. On January 17, 2019, a proposed order was issued approving the settlement agreement and authorizing the Maryland-American Water Company to increase its rates to recover $1,450,000 in additional revenues. On February 5, 2019, the Commission issued Order No. 89022 modifying Ordered Paragraph (2), and affirming the remainder of the proposed order.

9. Application of Elkton Gas Company (Formerly Pivotal Utility Holdings, Inc. d/b/a Elkton Gas) for Authority to Increase Rates and Charges - Case No. 9488

On June 29, 2018, Elkton Gas filed an application for an increase in its base rates for gas distribution service along with proposed tariff revisions. On July 3, 2018, by Order No. 88766, the Commission initiated a new docket, Case No. 9488, to consider the application, suspended the proposed tariff revisions, and delegated the matter to the Public Utility Law Judge Division. An evening hearing for public comments was held on

September 17, 2018 in Elkton, and because of a significant change in revenue requirement in an updated filing, a second evening hearing for public comment was held on October 29, 2018 in Elkton. The parties filed a joint motion for approval of a unanimous settlement on November 28, 2018. On December 11, 2018, a hearing was held to admit all pre-filed testimony, the settlement, and supporting testimony. On January 7, 2019, a proposed order was issued approving the settlement and authorizing Elkton to increase its rates to recover $90,507 in additional revenues. No appeal of the proposed order was taken, and it became Order No. 89026 on February 7, 2019.

E. Certificates of Public Convenience and Necessity Cases - Applications, Modifications, and Waivers

1. Application of Massey Solar, LLC for a Certificate of Public Convenience and Necessity to Construct a 5.0 MW Solar Photovoltaic Generating Facility in Kent County, Maryland - Case No. 9407

As reported in prior Annual Reports, the Commission initiated this docket to consider the application for a Certificate of Public Convenience and Necessity (CPCN) filed by Massey Solar, LLC to construct a 5.0 MW solar photovoltaic generating station in Kent County, Maryland and delegated the matter to the Public Utility Law Judge Division. After a lengthy suspension of the procedural schedule and the submission of testimony, the only dispute among the parties was the application of the Forest Conservation Act (FCA) and the proposed afforestation license condition. On March 6, 2018 and April 26, 2018, evening hearings for public comments were held in Massey, Maryland. On May 2, 2018, an evidentiary hearing was held, and on August 21, 2018, a proposed order was issued, granting the CPCN, subject to certain license conditions, including full compliance with the FCA. On September 20, 2018, Massey noted an appeal of the proposed order. On December 31, 2018, the Commission issued Order No. 88693 denying Massey's appeal and affirming the proposed order.

2. Application of Perennial Solar, LLC for a Certificate of Public Convenience and Necessity to Construct an 8.0 MW Solar Photovoltaic Generating Facility in Washington County, Maryland - Case No. 9408

As reported in prior Annual Reports, the Commission initiated this docket to consider the application for a CPCN to construct an 8.0 MW solar photovoltaic generating station in Washington County, Maryland pursuant to Public Utilities Article § 7-207. On January 28, 2016, Perennial filed its direct testimony and exhibits in support of its application. After a procedural schedule was established, on March 16, 2016, the schedule was subsequently suspended as the parties wished to wait until the Commission issued orders on two CPCN cases that involved the application of Maryland's Forest Conservation Act. The procedural schedule remained suspended as Washington County appealed to the Court of Special Appeals a June 20, 2016 order of the Circuit Court for Washington County, which found that the Commission's authority over CPCNs preempted local zoning laws. On November 15, 2018, the Court of Special Appeals published an order finding the Commission's authority pre-empts local zoning regulations and affirmed the Circuit Court's decision. On November 29, 2018, Washington County filed a Petition for Writ of Certiorari with the Maryland Court of Appeals. As of December 31, 2018, this matter remains pending.

3. Application of LeGore Bridge Solar Center, LLC for a Certificate of Public Convenience and Necessity to Construct a 20.0 MW Solar Photovoltaic Generating Facility in Frederick County, Maryland - Case No. 9429

As reported in the 2016 and 2017 Annual Reports, the Commission initiated

Case No. 9429 to consider the application for a CPCN to construct a 20 MW solar photovoltaic generating facility and delegated the proceedings to the Public Utility Law Judge Division. On November 1, 2017, Frederick County filed an appeal of the proposed order, which was issued on October 3, 2017, and granted the applicant a CPCN, subject to certain license conditions. On March 23, 2018, the Commission issued Order No. 88631, in which a quorum of the Commissioners affirmed the proposed order, with two Commissioners issuing a dissenting opinion.

4. Application of Egypt Road Solar, LLC for a Certificate of Public Convenience and Necessity to Construct a 49.5 MW Solar Photovoltaic Generating Facility in the City of Cambridge, Maryland - Case No. 9434

As reported in the 2016 and 2017 Annual Reports, the Commission initiated Case No. 9434 to consider the application for a CPCN to construct a 49.5 MW solar photovoltaic generating facility and delegated the proceedings to the Public Utility Law Judge Division. A proposed order was issued on November 27, 2017, granting the CPCN, subject to certain license conditions. On December 26, 2017, Helen Malkus noted an appeal of the proposed order. On January 25, 2018, the Maryland Department of Natural Resources Power Plant Research Program (PPRP) filed a letter with the Commission and identified several of the PPRP Final License Conditions that needed correction due to an administrative error made by PPRP's initial recommended licensing conditions. On April 17, 2018, Ms. Malkus requested dismissal of her appeal, with prejudice. On April 27, 2018, the Commission issued Order No. 88659, granting Ms. Malkus's request, correcting the identified administrative errors in PPRP's Final License Conditions, and affirming the proposed order.

5. Application of Jones Farm Lane Solar, LLC for a Certificate of Public Convenience and Necessity to Construct a 56.7 MW Solar Photovoltaic Generating Facility in Queen Anne's County, Maryland - Case No. 9436

As reported in the 2016 and 2017 Annual Reports, the Commission initiated Case No. 9436 to consider the application for a CPCN to construct a 56.7 MW solar photovoltaic generating facility and delegated the proceedings to the Public Utility Law Judge Division. On March 2, 2018, an evidentiary hearing was held in the matter. On April 2, 2018, a proposed order was issued granting the CPCN, subject to the license conditions recommended by PPRP and by Staff. No appeal was taken of the proposed order, and it became Order No. 88646.

6. Application of CPV Maryland, LLC for a Certificate of Public Convenience and Necessity Authorizing the Modification of its St. Charles Generating Station - Case No. 9437

As reported in the 2016 and 2017 Annual Reports, the Commission initiated Case No. 9437 to consider the application for a CPCN to modify a generating facility and delegated the proceedings to the Public Utility Law Judge Division. An evening public hearing was held on February 7, 2018, in Waldorf, Maryland, at which a representative of the Charles County Economic Development Department spoke in support of the grant of the application. Written comments in support of the application were submitted by Delegate Sally Y. Jameson. An evidentiary hearing was held February 8, 2018. On March 5, 2018, a proposed order was issued granting the application and authorizing the modification of the St. Charles generation station. No appeal of the proposed order was taken, and it became Order No. 88609.

7. Application of Biggs Ford Solar, LLC for a Certificate of Public Convenience and Necessity to Construct a 15.0 MW Solar Photovoltaic Generating Facility in Frederick County, Maryland - Case No. 9439

As reported in the 2017 Annual Report, the Commission initiated this docket to consider the application for a CPCN to construct a 15 MW solar photovoltaic generating facility and delegated the matter to the Public Utility Law Judge Division. Frederick County intervened and opposed the application based upon a newly enacted zoning ordinance. PPRP did not file an environmental review or proposed license conditions because 1) Biggs Ford had not applied to a floating zone reclassification and, 2) of the lack of a recommendation on the project by the County. Additionally, the County noted the project lacked the necessary County approvals and was inconsistent with the County's Comprehensive Plan. After an evidentiary hearing, on December 5, 2017, a proposed order denying the CPCN application was issued. On January 4, 2018, the applicant filed a notice of appeal, followed by a memorandum on appeal on January 16, 2018. On April 16, 2018, the Commission issued Order No. 88644, remanding this matter to the Public Utility Law Judge Division to provide the applicant an opportunity to seek a floating zone reclassification based upon Frederick County's recent zoning ordinance. The applicant filed a floating zone reclassification application and, on December 19, 2018, the Frederick County Planning Commission recommended the Frederick County Council deny the application. As of December 31, 2018, this matter remains pending.

8. Application of Casper Solar Center, LLC for a Certificate of Public Convenience and Necessity to Construct a 36.70 MW Solar Photovoltaic Generating Facility in Queen Anne's County, Maryland - Case No. 9450

As reported in the 2017 Annual Report, the Commission initiated Case No. 9450 to consider the application for a CPCN to construct a 36.70 MW solar photovoltaic generating facility and delegated the proceedings to the Public Utility Law Judge Division on April 27, 2017. On November 29, 2017, the first evening hearing for public comment was held in Church Hill, Maryland. On February 15, 2018, the procedural schedule was suspended to allow the applicant additional time to pursue a special exception through the County's Board of Zoning Appeals. As of March 4, 2019, the procedural schedule remains suspended.

9. Application of Chesapeake Solar, LLC for a Certificate of Public Convenience and Necessity to Construct a 9.0 MW Solar Photovoltaic Generating Facility in Cecil County, Maryland - Case No. 9451

As reported in the 2017 Annual Report, the Commission initiated Case No. 9451 to consider the application for a CPCN to construct a 9.0 MW solar photovoltaic generating facility and delegated the proceedings to the Public Utility Law Judge Division. On August 22, 2017 and November 1, 2017, public comment hearings were held in Elkton, Maryland. On November 6, 2017, an evidentiary hearing was held and the record was held open to allow the applicant to provide additional information in response to the Public Utility Law Judge's request. On March 6, 2018, a proposed order was issued, granting the CPCN, subject to the final licensing conditions of PPRP and Commission Staff. No appeal of the proposed order was taken, and it became Order No. 88634.

10. Application of Brick Kiln Road Solar, LLC for a Certificate of Public Convenience and Necessity to Construct a 5.4 MW Solar Photovoltaic Generating Facility in Wicomico County, Maryland - Case No. 9454

As reported in the 2017 Annual Report, the Commission initiated Case No. 9454 to consider the application for a CPCN to construct a 5.4 MW solar photovoltaic generating facility and delegated the proceedings to the Public Utility Law Judge Division. On September 26, 2017 and December 13, 2017, public comment hearings were held in Salisbury, Maryland. On December 19, 2017, an evidentiary hearing was held, and on January 5, 2018, a proposed order was issued, granting the CPCN, subject to the license conditions proposed by PPRP and Commission Staff, and a setback condition imposed by the Public Utility Law Judge. No appeal of the proposed order was taken, and it became Order No. 88562.

11. Application of Richfield Solar Energy, LLC for a Certificate of Public Convenience and Necessity to Construct a 50.0 MW Solar Photovoltaic Generating Facility in Dorchester County, Maryland - Case No. 9457

As reported in the 2017 Annual Report, the Commission initiated Case No. 9457 to consider the application for a CPCN to construct a 50 MW solar photovoltaic generating facility and delegated the proceedings to the Public Utility Law Judge Division. Both PPRP and Staff filed direct testimony and recommended approving the CPCN subject to numerous license conditions for the CPCN. On January 9, 2018, the first public comment hearing was held in Hurlock, Maryland. On March 1, 2018, the procedural schedule was suspended to allow the applicant additional time to pursue a special exception from the County Board of Appeals. On May 21, 2018, a new procedural schedule was adopted, and on June 29, 2018, the applicant filed testimony and modified the project. On September 12, 2018 and November 5, 2018, public hearings were held in Hurlock, Maryland, and an evidentiary hearing was held December 13, 2018, and PPRP and Staff recommended the project be approved subject to numerous license conditions. A proposed order was issued on February 15, 2019, granting the CPCN subject to the licensing conditions recommended by PPRP and the Commission Staff. A final order remains pending.

12. Application of MD Solar 2, LLC for a Certificate of Public Convenience and Necessity to Construct a 27.5 MW Solar Photovoltaic Generating Facility in Charles County, Maryland - Case No. 9463

As reported in the 2017 Annual Report, the Commission initiated Case No. 9463 to consider the application for a CPCN to construct a 27.5 MW solar photovoltaic generating facility and delegated the proceedings to the Public Utility Law Judge Division. On February 20, 2018 and May 30, 2018, public hearings were held in La Plata, Maryland. On June 14, 2018, an evidentiary hearing was held at which time the parties each indicated their agreement to and acceptance of the project and the specific licensing conditions recommended by both PPRP and Staff, with the exception to one of Staff's proposed license conditions. On June 20, 2018, at the request of the parties, further argument was heard from all parties on the condition at issue in combination with the evidentiary hearing in Case No. 9464. On June 26, 2018, the applicant filed a letter consenting to a revised Staff license condition, thereby notifying the Commission that the parties had reached an agreement in full to the project and to the license conditions proposed by PPRP and Staff. On August 21, 2018, a proposed order was issued granting the CPCN subject to licensing conditions as recommended by PPRP and Staff. No appeal of the proposed order was taken, and it became Order No. 88842.

13. Application of MD Solar 1, LLC for a Certificate of Public Convenience and Necessity to Construct a 32.5 MW Solar Photovoltaic Generating Facility in Charles County, Maryland - Case No. 9464

As reported in the 2017 Annual Report, the Commission initiated Case No. 9464 to consider the application for a CPCN to construct a 32.5 MW solar photovoltaic generating facility and delegated the proceedings to the Public Utility Law Judge Division. On March 20, 2018 and June 5, 2018, evening hearings for public comment were held in La Plata, Maryland. On June 20, 2018, an evidentiary hearing was held in conjunction with Case No. 9463, at which time the parties each indicated their agreement to and acceptance of the project and the specific licensing conditions recommended by both PPRP and Staff, with the exception to one of Staff's proposed license conditions. On June 26, 2018, the applicant filed a letter consenting to a revised Staff license condition, thereby notifying the Commission that the parties had reached an agreement in full to the project and to the conditions proposed by PPRP and Staff. On August 21, 2018, a proposed order was issued granting the CPCN subject to licensing conditions as recommended by PPRP and Staff. No appeal of the proposed order was taken, and it became Order No. 88841.

14. Application of TPE Maryland Solar Land Holdings, LLC for a Certificate of Public Convenience and Necessity to Construct a 2.425 MW Solar Photovoltaic Generating Facility in Prince George's County, Maryland - Case No. 9465

As reported in the 2017 Annual Report, the Commission initiated Case No. 9465 to consider the application for a CPCN to construct a 2.425 MW solar photovoltaic generating facility and delegated the proceedings to the Public Utility Law Judge

Division. On March 1, 2018, the applicant filed a request to withdraw its application, without prejudice, which was granted on March 5, 2018.

15. Application of TPE Maryland Solar Land Holdings, LLC for a Certificate of Public Convenience and Necessity to Construct a 2.25 MW Solar Photovoltaic Generating Facility in Prince George's County, Maryland - Case No. 9466

As reported in the 2017 Annual Report, the Commission initiated Case No. 9466 to consider the application for a CPCN to construct a 2.25 MW solar photovoltaic generating facility and delegated the proceedings to the Public Utility Law Judge Division. On March 1, 2018, the applicant filed a request to withdraw its application, without prejudice, which was granted on March 5, 2018.

16. Application of Energy Ventures IPP, LLC for a Certificate of Public Convenience and Necessity to Construct a 10 MW Solar Photovoltaic Generating Facility in Prince George's County, Maryland - Case No. 9469

As reported in the 2017 Annual Report, the Commission initiated Case No. 9469 to consider the application for a CPCN to construct a 10 MW solar photovoltaic generating facility and delegated the proceedings to the Public Utility Law Judge Division. On June 6, 2018, an evening hearing for public comment was held in Brandywine, Maryland. On July 9, 2018, pursuant to the applicant's request, the procedural schedule was suspended to allow the applicant time to complete the interconnection process and comply with County regulations. As of March 4, 2019, the procedural schedule remains suspended.

17. Application of the Potomac Edison Company for a Certificate of Public Convenience and Necessity to Modify the Ringgold-Catoctin-Transmission Line in Frederick and Washington Counties, Maryland - Case No. 9470

On December 22, 2017, the Potomac Edison Company (PE) filed an application requesting a CPCN to rebuild the Ringgold-Catoctin Transmission Line in Frederick and Washington counties. On December 27, 2017, the Commission initiated a new docket, Case No. 9470, to consider the application and delegated the matter to the Public Utility Law Judge Division. On October 30, 2018, and November 1, 2018, public comment hearings were held in Hagerstown, Maryland, and Thurmont, Maryland, respectively. An evidentiary hearing was held on November 7, 2018, in which the stipulated pre-filed testimony and exhibits of all parties' witnesses were entered into the record. On December 14, 2018, a proposed order was issued granting the requested CPCN, subject to the licensing conditions recommended by PPRP and Staff. On January 10, 2019, PE filed a Request for Clarification, or in the alternative, a Notice of Appeal. In Order No. 89035, issued February 15, 2019, the Commission granted PE's request for clarification and affirmed the proposed order.

18. In the Matter of the Application of Transource Maryland LLC for a Certificate of Public Convenience and Necessity to Construct Two New 230 kV Transmission Lines Associated with the Independence Energy Connection Project in Portions of Harford and Washington Counties, Maryland - Case No. 9471

On December 27, 2017, Transource Maryland, LLC filed an application requesting a CPCN to construct two new 230 kilovolt transmission lines associated with the Independence Energy Connection Project in portions of Harford and Washington counties. A pre-hearing conference adopting a procedural schedule was held on

February 16, 2018. On July 13, 2018, PPRP submitted its completeness review of the application, in which it concluded the application was not complete and requested to submit a modified procedural schedule in the matter, which the Commission granted on September 26, 2018. On December 20, 2018, PPRP filed a motion to dismiss the application, asserting that Transource did not identify, nor provide analysis of, specific existing electric transmission lines as an alternative to building the new transmission line. The motion was denied. On February 8, 2019, the Commission granted PPRP's request to further modify the procedural schedule. Evidentiary hearings are scheduled for June 3-7, 10-13, 17-18, 2019. Public comment hearings will be held in Harford and Washington counties.

19. Application of Cherrywood Solar I LLC for a Certificate of Public Convenience and Necessity to Construct 202 MW Solar Photovoltaic Generating Facility in Caroline County, Maryland - Case No. 9477

On January 23, 2018, Cherrywood Solar I, LLC filed an application for a CPCN to construct a 202 MW solar photovoltaic generating facility in Caroline County, Maryland. On January 24, 2018, the Commission initiated a new docket, Case No. 9477, to consider the application and delegated the matter to the Public Utility Law Judge Division. A procedural schedule was issued on March 12, 2018. On May 2, 2018, and December 17, 2018, public comment hearings were held in Greensboro, Maryland. An evidentiary hearing was held on January 15, 2018, at which time the parties indicated that they were in agreement with approval of the project as modified by the license conditions proposed by PPRP and Staff. A proposed order is expected to be issued by March 15, 2019.

20. Application of CP Crane, LLC for a Certificate of Public Convenience and Necessity Authorizing the Modification of the Charles P. Crane Generating Station in Baltimore County, Maryland - Case No. 9482

On May 31, 2018, CP Crane, LLC filed an application for a CPCN authorizing a modification to its existing Charles P. Crane Generating Station in Baltimore County, Maryland, through permanently retiring its existing coal-fired units, and installing and operating three combustion turbines fired primarily with natural gas. The Commission initiated a new docket, Case No. 9482, to consider the application and delegated the matter to the Public Utility Law Judge Division. On August 31, 2018, CP Crane, LLC filed an amended application. PPRP and the Air and Radiation Administration of the Maryland Department of the Environment reviewed the amended application and submitted their administrative completeness review on September 12, 2018, indicating that they deemed the application, as amended, to be administratively complete. Public comment hearings and evidentiary hearings are scheduled for April 2019.

21. Application of Citizens UB Solar, LLC for a Certificate of Public Convenience and Necessity to Construct a 9.9 MW Solar Photovoltaic Generating Facility in the Town of Union Bridge and Carroll County, Maryland - Case No. 9483

On June 7, 2018, Citizens UB Solar, LLC filed an application for a CPCN to construct a 9.9 MW solar photovoltaic generating station in the Town of Union Bridge and Carroll County, Maryland. On June 8, 2018, the Commission initiated a new docket, Case No. 9483, to consider the application and delegated the proceedings to the Public Utility Law Judge Division. On July 12, 2018, a pre-hearing conference was held and procedural schedule was agreed upon, but was subsequently suspended on December 21, 2018, to allow PPRP additional time to complete its review. As of March 4, 2019, this matter remains pending.

22. Application of Kieffer Funk, LLC for a Certificate of Public Convenience and Necessity to Construct a 11.80 MW Solar Photovoltaic Generating Facility in Washington County, Maryland - Case No. 9495

On November 13, 2018, Kieffer Funk, LLC filed an application for a CPCN to construct an 11.80 MW solar photovoltaic generating facility in Washington County, Maryland. On November 15, 2018, the Commission initiated a new docket, Case No. 9495, to consider the application and delegated the matter to the Public Utility Law Judge Division. A procedural schedule was issued on December 21, 2018. Evening public hearings are scheduled for March 13, 2019 and July 10, 2019, in Washington County, Maryland. An evidentiary hearing is scheduled for July 17, 2019.

23. Application of Bluegrass Solar, LLC for a Certificate of Public Convenience and Necessity to Construct a 80 MW Solar Photovoltaic Generating Facility in the Queen Anne's County, Maryland - Case No. 9496

On November 13, 2018, Bluegrass Solar, LLC filed an application for a CPCN to construct a 80 MW solar photovoltaic generating station in Queen Anne's County, Maryland. On November 15, 2018, the Commission issued a letter order initiating a new docket, Case No. 9496, to consider the application and delegated the proceedings to the Public Utility Law Judge Division. A procedural schedule was issued on December 14, 2018. Evening public hearings are scheduled for April 15, 2019, and during the week of June 17, 2019, in Queen Anne's County, Maryland. An evidentiary hearing is scheduled for June 20, 2019.

24. Application of Morgnec Road Solar Center, LLC for a Certificate of Public Convenience and Necessity to Construct a 45.0 MW Solar Photovoltaic Generating Facility in Kent County, Maryland - Case No. 9499

On November 30, 2018, Morgnec Road Solar, LLC filed an application for a CPCN to construct a 45.0 MW solar photovoltaic generating facility in Kent County, Maryland. On December 3, 2018, the Commission initiated a new docket, Case No. 9499, and delegated the matter to the Public Utility Law Judge Division. On January 16, 2019, a Notice of Completeness Determination was issued which found the application was not administratively complete. In a January 17, 2019 filing, the applicant stated that it intended to cure the deficiencies in the application by March 1, 2019. A pre-hearing conference has been rescheduled for March 8, 2019.

25. Application of Baltimore Gas and Electric Company for a Certificate of Public Convenience and Necessity for the Key Crossing Reliability Initiative Transmission Line Project - Case No. 9600

On December 20, 2018, Baltimore Gas and Electric Company filed an application for a CPCN for the Key Crossing Reliability Initiative Transmission Line Project. On December 26, 2018, the Commission initiated a new docket, Case No. 9499, and delegated the matter to the Public Utility Law Judge Division. A pre-hearing conference is scheduled for March 7, 2019.

F. Standard Offer Service-, Restructuring-, and Energy Competition-Related Cases

1. Electric Competition Activity - Case No. 8738

By letter dated September 13, 2000, the Commission ordered the major investor-owned utilities in the state to file Monthly Electric Customer Choice Reports. The reports are to convey the number of customers served by suppliers, the total number of utility distribution customers, the total megawatts of peak demand served by suppliers, the peak load obligation for all distribution accounts, and the number of electric suppliers serving customers in Maryland. These data are to be collected for both residential and non-residential customers.

In 2018, Potomac Edison (PE), Baltimore Gas and Electric (BGE), Delmarva Power & Light (DPL), Potomac Electric Power Company (Pepco) and Southern Maryland Electric Cooperative (SMECO) filed enrollment reports on a monthly basis. At the end of December 2018, electric suppliers in the state served 537,056 commercial, industrial and residential customers. This number represents an approximate 2.1% decrease from 2017, when 548,548 customers were served by suppliers.

Customer Accounts Enrolled with Electric Suppliers
As of December 31, 2018

	Residential	**Non-Residential**	**Total**
Total Eligible Accounts	2,263,395	266,284	2,529,679
Customers Enrolled	438,206	98,850	537,056
Percentage Enrolled with Suppliers	19.4%	37.1%	21.2%

At the end of December 2018, the overall demand in megawatts of peak load obligation served by all electric suppliers was 5,666 MW, down 6.0% from 6,028 MW in 2017.

Peak Load Obligation Served by Electric Suppliers
As of December 31, 2018

	Residential	**Non-Residential**	**Total**
Total MW Peak	6,693 MW	5,722 MW	12,415 MW
Demand Served	1,335 MW	4,331 MW	5,666 MW
Percentage Served by Suppliers	19.9%	75.7%	45.6%

BGE had the highest number of residential accounts (280,839), commercial accounts (53,160), and peak-load (3,192 MW) served by suppliers. The number of electric suppliers licensed in Maryland has decreased from 421 in 2017 to 404 at the end of 2018, down 4%.

Most electric suppliers in Maryland are authorized to serve multiple classes. The number serving each class in each utility territory is reflected in the table below.

Number of Electric Suppliers Serving Enrolled Customers By Class as of December 31, 2018

	Residential	Small C&I	Mid-Sized	Large C&I
BGE	65	71	60	18
DPL	46	51	43	19
PE	36	38	35	15
Pepco	60	55	49	26
SMECO	7	5	3	1

2. Results of the Standard Offer Services Solicitations for Residential and Type I (Small Commercial) Customers - Case Nos. 9056 and 9064

The Commission reviews standard offer service (SOS) rates on an ongoing basis in Case Nos. 9056 and 9064. For the 12-month period beginning June 2018, SOS rates for residential and small commercial customers decreased compared with the previous year. With the exception of Potomac Edison,[19] 2018 bids were completed in April of 2018. Rate changes expressed as a percentage change in the total annual cost for an average customer are shown below.[20]

Residential

BGE	-5.78%
DPL	-0.43%
Pepco	-2.6%
Potomac Edison	-6.9% (for 2019/20)

[19] Due to PE's bid cycle, bill impacts are shown for one year in advance of the other utilities.
[20] The statistics are taken from the Commission's Staff reports submitted in Case Nos. 9056 and 9064. The annual bill change is determined not only by the newly bid load, but also by the proportion of previous year's contracts that expired.

TYPE I SOS (Small Commercial Customers)

BGE	-5.6%
DPL	-0.3%
Pepco	-3.5%
Potomac Edison	No Type 1 Bids[21]

3. Review of Standard Offer Service Administrative Charge - Delmarva Power & Light Company - Case No. 9226 and Potomac Electric Power Company - Case No. 9232

As previously reported in prior Annual Reports, Case Nos. 9226 and 9232 were remanded back to the Public Utility Law Judge Division for further proceedings. On September 6, 2017, a third proposed order was issued in the matter. OPC and Staff each filed an appeal of the order. The appeals remain pending as of December 31, 2018.

4. Petition of NRG Energy, Inc., Interstate Gas Supply, Inc., Just Energy Group, Inc., Direct Energy Services, LLC, and ENGIE Resources, LLC for Implementation of Supplier Consolidated Billing for Electricity and Natural Gas in Maryland - Case No. 9461

On September 7, 2017, numerous competitive suppliers filed a joint petition requesting the Commission mandate supplier consolidated billing as a billing option by June 30, 2019, at the latest, adopt specific policy recommendations and elements proposed in the petition, and establish a rule making proceeding and work group to facilitate the drafting of a new and revised COMAR provisions needed to implement supplier consolidated billing. By letter order issued on September 15, 2017, the Commission initiated a new docket, Case No. 9461, to consider the petition. It requested comments on the petition with a filing date by November 15, 2017. After review of the filed comments, the Commission held a legislative-style hearing on February 20, 2018, to

[21] PE bids Type I load every two years. PE Type 1 rates are in effect through May 2020.

further consider the petition. In a May 24, 2018 letter order, the Commission requested additional comments on specific issues raised in the hearing.

G. Merger-, Transfer-, and Franchise-Related Cases

1. In the Matter of the Merger of Exelon Corporation and Pepco Holdings, Inc. - Case No. 9361

On December 15, 2017, Delmarva Power filed a request seeking approval to spend approximately $2.94 million of Customer Investment Fund (CIF) money to create the Efficiency for Affordable Housing (EFAH) program, in partial satisfaction of the conditions imposed in Case No. 9361, involving the merger between Exelon Corporation and Pepco Holdings, Inc. (PHI). By letter order on May 14, 2018, the Commission approved the request.

On April 24, 2018, the Commission held a legislative-style hearing to consider a proposal filed by Pepco for a pilot public-purpose microgrid project to provide enhanced energy services in Prince George's and Montgomery Counties to implement merger condition 13 of Commission Order No. 86990. By Order No. 88836 issued September 17, 2018, the Commission denied the proposal without prejudice, citing high ratepayer impacts and a lack of cost-effectiveness.

On June 27, 2018, Delmarva requested approval for the use of CIF funds for its Family Farms, Schools and Energy Efficient Communities EmPOWER Maryland programs, as well as the Residential Smart Homes Pilot Program and future EmPOWER Program Investigation Development and Design programs. By letter order issued November 20, 2018, the Commission approved the request.

2. Merger of AltaGas Ltd and WGL Holdings, Inc. - Case No. 9449

On April 24, 2017, WGL Holdings Inc. and AltaGas Ltd filed an application seeking authority from the Commission for AltaGas to acquire the power to exercise substantial influence over the policies and actions of WGL. Evening hearings for public comment were held on September 26 and 28, 2017, in Largo and Rockville, respectively. Evidentiary hearings were held on October 3–6, 10–13, and 16, 2017. Initial briefs were filed by the parties on November 6, 2017; reply briefs were filed on November 16, 2017. On December 1, 2017, the applicants filed a Request for Adoption of Settlement Agreement (not unanimous). On December 4, 2017, the applicants filed a Stipulation agreeing to extend the Commission's deadline to issue an order in the matter, which would facilitate the Commission considering the settlement agreement.

The Commission held evidentiary hearings to consider the settlement agreement on February 6–8 and 15, 2018, with public comments on the agreement accepted until February 23, 2018. In Order No. 88631, the Commission approved the settlement, but imposed more than 50 conditions.[22] A legislative-style hearing was held on October 24, 2018, to fully evaluate compliance with Condition 52 (the Most-Favored Nation provision) and determine the appropriate allocation of an additional $3.9 million on top of the $89 million already ordered by the Commission.

[22] The order included a dissent from Chairman W. Kevin Hughes.

3. Application of South Jersey Industries, Inc., Elkton Acquisition Corp., and Pivotal Holdings, Inc. d/b/a Elkton Gas for Authority to Sell and Transfer Substantially All Elkton Gas's Assets Including Natural Gas Franchises to Elkton Acquisition Corp. and For All Related Authorizations and Approvals - Case No. 9475

On January 16, 2018, the joint applicants filed an application seeking approval of the acquisition of Elkton Gas's assets by Elkton Acquisition Corp., including transfer of Elkton Gas's natural gas franchises. By Order No. 88535 issued on January 18, 2018, the Commission initiated a new docket, Case No. 9475, to consider the application and delegated the matter to the Public Utility Law Judge Division. On May 1, 2018, an evening hearing in the matter was held in Elkton, Maryland. On May 4, 2018, the parties filed a Joint Petition for Adoption of Stipulation and Settlement and the Stipulation and Settlement Agreement. On May 9, 2018, an evidentiary hearing was held in the matter. On May 16, 2018, a proposed order was issued approving the settlement agreement and granting the application, subject to the terms and conditions in the settlement agreement. No appeal of the proposed order was taken, and it became Order No. 88718.

H. Other Matters

1. Kevin M. Sills on Behalf of Mid-Atlantic Real Estate Investments, Inc. v. Potomac Electric Power Company - Case No. 9442

As reported in previous Annual Reports, on May 25, 2016, the Potomac Electric Power Company (Pepco) filed an appeal of the Commission's Office of External Relations decision on further review involving a formal complaint by Kevin M. Sills on behalf of Mid-Atlantic Real Estate Investments, Inc. filed on April 3, 2015. The complaint stemmed from Pepco's discovery that Mid-Atlantic's meters had been tampered with and Pepco's claim of unbilled consumption between May 2010 and May 2014 in the amount of $159,574.61. On March 2, 2017, the Commission determined that issues of fact required a more developed record and delegated the matter to the Public Utility Law Judge Division. After both parties filed testimony and an evidentiary hearing was held, a proposed order was issued on January 5, 2018, which found Mid-Atlantic was responsible for the electricity used, but not recorded and billed, due to meter tampering, and reduced the amount Pepco was authorized to collect to $130,282.93. On February 6, 2018, the proposed order became final Order No. 88563. Also on that date, Mid-Atlantic filed a notice of appeal. On February 7, 2018, Mid-Atlantic filed a motion for leave to accept a late filing, and Pepco opposed the motion. On March 8, 2018, the Commission denied Mid-Atlantic's motion to accept its late filing.

2. Service Terminations by Potomac Electric Power Company - Case No. 9444 and Service Terminations by Washington Gas Light Company - Case No. 9445

On March 28, 2017, by Order Nos. 88092 and 88093, the Commission issued an Order on Petition for Show Cause to Pepco and WGL, respectively, and initiated two new dockets, Case No. 9444 (Pepco) and Case No. 9445 (WGL). Both matters were delegated to the Public Utility Law Judge Division. On May 30, 2017, a joint pre-hearing conference was held for both matters; Pepco was granted intervention in the WGL matter and WGL was granted intervention in the Pepco matter. Additionally, the Apartment & Office Building Association of Metropolitan Washington's (AOBA) petition to intervene in each matter was granted. To allow the parties to continue to discuss a settlement agreement in the matters, a status conference was scheduled for July 14, 2017, at which a further status conference was scheduled and a discovery schedule was established for each matter. On November 7, 2017, a telephone status conference was held and the parties provided an update on the status of settlement negotiations. On February 15, 2018, settlement agreements were filed in both cases, and on March 15, 2018, evidentiary hearings were held to consider the settlements. On April 6, 2018, proposed orders were issued and became Order Nos. 88648 and 88649, respectively.

3. New Frontiers Telecommunications, Inc. v. Verizon Maryland LLC - Case No. 9452

On February 28, 2017, New Frontiers Telecommunications, Inc. filed a formal complaint against Verizon Maryland LLC. The complaint alleged Verizon's billing and dispute practices were unreasonable and unjustly burdensome, and led New Frontiers to be overbilled for years. Additionally, New Frontiers alleged Verizon owed over $298,000 for unpaid reciprocal compensation and access charges. On May 17, 2017, the Commission initiated Case No. 9452 and delegated the case to the Public Utility Law Judge Division. On February 6, 2018, an evidentiary hearing in the matter was held during which New Frontiers failed to present evidence in its case-in-chief. On February 28, 2018, New Frontiers filed a First Amended Formal Complaint. On March 29, 2018, a proposed order was issued which dismissed the amended complaint, dismissed with prejudice the formal complaint, permitted Verizon to collect arrearages owed by New Frontiers, and authorized Verizon to initiate disconnection of service if New Frontiers failed to pay. On April 30, 2018, New Frontiers appealed the proposed order.

On May 9, 2018, the Commission directed Verizon to immediately restore trunks that had been disconnected. On August 14, 2018, the Commission issued Order No. 88793 affirming the Chief Public Utility Law Judge's proposed order. On September 10, 2018, New Frontiers filed a Petition for Judicial Review in the Circuit Court for Washington County. As of December 31, 2018, this matter remains pending.

4. Matthew L. Loiacono v. Southern Maryland Electric Cooperative, Inc. - Case No. 9474

On November 28, 2016, Matthew L. Loiacono filed a formal complaint with the Commission disputing both SMECO's allegations of meter tampering and the amount SMECO claimed it was owed for unmetered service. On January 12, 2018, the Commission found that Mr. Loiacono did not tamper with the meter and that he should not be held responsible for fees associated with the tampering, but found Mr. Loiacono benefitted from the electricity used but not billed and was responsible for paying for the unmetered electricity usage, and that a factual dispute existed as to the accuracy of SMECO's calculation of the unmetered service charges. The Commission delegated the matter to the Public Utility Law Judge Division for mediation or to conduct such evidentiary proceedings as necessary to calculate the portion of the balance owed for unmetered service received. On February 26, 2018, a procedural schedule was issued. An evidentiary hearing was held on April 30, 2018. A proposed order was issued on July 10, 2018, dismissing the formal complaint, authorizing SMECO to bill and collect $6,103.59 from Mr. Loiacono for unbilled service from December of 2014 through October of 2016, and required SMECO to offer an installment payment plan. No appeal of the proposed order was taken and it became Order No. 88791.

5. William E. Lowry v. Baltimore Gas and Electric Company - Case No. 9489

On April 12, 2018, William E. Lowry filed an appeal of the Commission's Consumer Affairs Division's (formerly, the Office of External Relations) decision on further review involving a formal complaint against Baltimore Gas and Electric Company (BGE) concerning allegations of meter tampering, the calculation of unmetered service, and associated fees. On August 13, 2018, the Commission issued a letter order finding evidence to support metering tampering and the consequent fee; however, there was insufficient evidence to determine whether BGE accurately calculated the charges for unmetered service. The Commission delegated this matter to the Public Utility Law Judge Division to initially determine if the complainant was entitled to reconnection, and if so, the amount of a deposit necessary to reconnect balance, as well as the amount owed to BGE for any unmetered service. On September 26, 2018, the Public Utility Law Judge found there was insufficient information to direct BGE to reconnect Mr. Lowry. After receiving documentation from both parties, on December 21, 2018, the Public Utility Law Judge instructed BGE to recalculate the estimated charges based on the daily usage of 68 kWh from September 10, 2014 through June 20, 2017, with accompanying sworn testimony. On January 29, 2019, a proposed order was issued authorizing BGE to bill and collect $9,944.45 for unauthorized service, and dismissing the formal complaint. No appeal of the order was taken and it became Order No. 89051 on March 1, 2019.

6. Nkem Egede v. Southern Maryland Electric Cooperative - Case No. 9491

On May 29, 2018, Nkem Egede filed an appeal of the Commission's Consumer Affairs Division's (formerly, the Office of External Relations) decision on further review involving a formal complaint against Southern Maryland Electric Cooperative (SMECO) concerning allegations of meter tampering since 2012 and finding her financially responsible for unmetered service and associated fees. On September 5, 2018, the Commission issued a letter order that found the meter tampering and consequent fees were supported by CAD's record; however, the case was delegated to the Public Utility Law Judge Division to determine whether SMECO had correctly calculated the balance due for unmetered service and accurately credited payments made by Ms. Egede during the tampering period. On December 6, 2018, an evidentiary hearing was held. On January 16, 2019, a proposed order was issued authorizing SMECO to bill and collect $8,140.17 for unmetered service from June 27, 2012 to March 10, 2017, and directed SMECO to offer Ms. Egede an installment payment plan. No appeal of the order was taken and it became Order No. 89036 on February 19, 2019.

7. Donna Berry v. Baltimore Gas and Electric Company - Case No. 9497

On August 7, 2018, Donna Berry filed an appeal of the Commission's Consumer Affairs Division's (formerly, the Office of External Relations) decision on further review involving a formal complaint against Baltimore Gas and Electric Company concerning allegations of meter tampering that resulted in the termination of service at one location and prevented her from obtaining service at a second location. On November 21, 2018, the Commission issued a letter order in which it concluded there were issues of fact that required a more developed record and delegated the case to the Public Utility Law Judge Division. An initial hearing was scheduled but was canceled as the parties were attempting to settle the matter. On January 14, 2019, the parties indicated the matter had been resolved. On January 15, 2019, a Notice of Dismissal was issued.

8. William Steverson v. Potomac Electric Power Company - Case No. 9498

On April 17, 2018, William Steverson filed an appeal of the Commission's Consumer Affairs Division's (formerly, the Office of External Relations) decision on further review involving a formal complaint against Potomac Electric Power Company (Pepco) challenging the termination of his service and alleging unfairness and bias by CAD in handling the dispute. On November 21, 2018, the Commission issued a letter order that denied the allegations of bias, but delegated the issue to the Public Utility Law Judge Division to determine whether Pepco violated COMAR 20.31.03.01. On February 11, 2019, Pepco filed a Motion to Stay Proceeding pending the resolution of a petition for bankruptcy, which was filed by Mr. Steverson in the U.S. Bankruptcy Court for the District of Maryland on February 5, 2019. The Public Utility Law Judge Division granted the motion on February 12, 2019, staying the proceeding until a Lift-Stay Order is issued from the Bankruptcy Court.

I. Rulemakings and Regulations - New and Amended

1. RM63-Revisions to COMAR 20.50.12.03 - Service Supplied by Electric Companies - Service Quality and Reliability Standards - Poorest Performing Feeder Standard

On April 9, 2018, the Commission Staff filed proposed revisions to COMAR related to poorest performing feeder standards, based on recommendations by the Poorest Performing Feeder (PPF) Workgroup. The workgroup recommended a more consistent statewide method for determining each utility's PPF program and the treatment of repeat PPFs in COMAR 20.50.12.03A. The changes are expected to make the program more cost effective for the electric investor-owned and electric cooperative utilities. The proposed regulations were granted final adoption by the Commission at a rulemaking on September 18, 2018; the new regulations went into effect on October 8, 2018.

2. RM65-Revisions to COMAR 20.31.01.02 and COMAR 20.31.03.06 - Terminations of Service

In response to a May 23, 2018 petition by the Office of People's Counsel, Potomac Electric Power Company, Delmarva Power & Light Company, and Washington Gas Light Company, the Commission initiated Rulemaking 65 to consider revisions to COMAR 20.31.01.02 and 20.31.03.06 which would clarify the minimum required content of service termination notices to individuals who live in master-metered buildings. At a rulemaking session on August 21, 2018, the Commission moved to revise and approve the proposed regulations, but delayed publication to allow all impacted parties to discuss the proposed revisions. On September 4, 2018, the Commission moved to publish for notice and comment the revised regulations in the *Maryland Register*. The proposed regulations were published in the *Maryland Register* on February 1, 2019.

J. Public Conferences

1. PC44-In the Matter of Transforming Maryland's Electric Distribution Systems to Ensure That Electric Service is Customer-centered, Affordable, Reliable, and Environmentally Sustainable in Maryland.

As reported in the 2016 Annual Report, on September 26, 2016, the Commission convened PC44, a proceeding which builds on two recent Commission technical conferences to examine rate-related issues affecting the deployment of distributed energy resources (PC40) and electric vehicles (PC43). It also follows up on a condition of the Commission's May 2015 approval of the merger of Exelon Corporation and Pepco Holdings, Inc. (PHI), which required PHI to file a plan for transforming its distribution system and fund up to $500,000 to retain a consultant to the Commission on the matter. Key topics of exploration will include enhancing rate design options, particularly for electric vehicles; calculating benefits and costs of distributed energy resources, including solar energy; maximizing advanced metering infrastructure (smart meters) benefits; valuing energy storage properly; streamlining the interconnection process for distributed energy resources; evaluating distribution system planning; and assessing impacts on limited-income Marylanders.

On January 31, 2017, the Commission issued a notice outlining the proceeding's next steps. The notice directed PHI to seek bids for a consultant to study the benefits and costs of distributed solar and also contained a statement of guiding principles, revised the scope/topics of the proceeding, and detailed a proposed timeline. The revised topics of exploration include rate design, electric vehicles, competitive markets and customer choice, interconnection process, energy storage, and distribution system planning (if sufficient funding is available). **2018 activities include**:

- **RM61-Revisions to COMAR 20.50.02 and 20.50.09 - Small Generator Facility Interconnection Standards**

Phase I of the Interconnection Workgroup's efforts was completed with a final RM61 rulemaking session that was held on September 5, 2018. The following key changes to the Maryland regulations from Phase I will make it easier, automated, more cost-effective and more transparent for interconnection applicants to connect clean energy to the electric grid by: integrating energy storage regulations into COMAR, automating the interconnection application process, increasing small generator facility sizes applicable to a streamlined utility application process from 10 kW to 20 kW, establishing utility interconnection queue requirements and establishing utility pre-application interconnection report requirements. These Phase I revisions to COMAR went into effect on October 8, 2018. The PC44 Interconnection Workgroup has continued its efforts to engage stakeholders and utilities to address additional issues in a Phase II effort to further improve Maryland regulations to support grid modernization. Items being addressed in Phase II include: Federal Energy Regulatory Commission versus Maryland State jurisdiction, utility tariff fees for interconnection applications, interconnection upgrade cost allocation, interconnection hosting capacity, advanced energy storage operations, evaluating interconnection applications based on "net system capacity"[23] and smart inverter requirements.

- **RM62-Revisions to COMAR 20.32, 20.50, 20.53, 20.55, and 20.59 - Competitive Markets and Retail Gas and Electric Customer Choice**

On January 31, 2018, the CMCC workgroup leader filed a non-consensus Petition to Initiate Rulemaking to consider proposed regulatory changes aimed at enhancing Maryland's competitive market and customer choice framework.[24] The proposed rules addressed a variety of items, including:

- administrative or process burdens (unrelated to consumer protection);
- clean-up items from a prior rulemaking (RM54);
- additional regulations requiring electric and gas suppliers to comply with comparable provisions for budget billing already required of electric and gas companies;
- two new enhancements to the existing framework for retail choice—seamless moves and instant connects;
- language related to the posting of open offers by suppliers to the Commission's website; and
- proposed regulations concerning the distribution and use of consumer interval data in service territories where advance metering infrastructure has been deployed.

The Commission conducted a legislative-style hearing on May 8, 2018, and again on August 23, 2018, where various stakeholders provided comments on the proposed regulations. At the August 23 hearing, the Commission approved the publication of certain proposed regulations in the *Maryland Register* for notice and comment. Following publication on December 7, 2018, the Commission did not receive any comments on the proposed regulations. On February 6, 2019, the Commission adopted

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[23] Net system capacity considers an application for the total nameplate capacities of each generator at a small generator facility minus the electrical load consumed by these generators versus just the total nameplate capacities of each generator.
[24] The Workgroup also requested guidance from the Commission regarding a Phase III for the Workgroup.

as final the revised regulations as published in the Maryland Register on December 7, 2018.

- **Rate Design Workgroup**

The Commission held a public hearing on September 22, 2017, to consider a report of the Rate Design Workgroup proposing residential time-of-use (TOU) rate pilot projects, directed the Workgroup to refine the design of the proposed pilots to include separate plans for default service and retail supply service customers in the service territories of BGE, Delmarva and Pepco (Joint Utilities). A final workgroup report was filed on February 9, 2018, that included proposed on-peak and off-peak rates, which, by letter order dated May 7, 2018, the Commission approved for use in a TOU pilot. On November 21, 2018, the workgroup filed an update to the Commission addressing marketing and outreach, evaluation, measurement and verification, and utility pilot budgets. After considering the matter at the December 12, 2018 Administrative Meeting, the Commission directed the Joint Utilities to proceed with implementation of the TOU pilots. Recruitment for the pilot program has begun in the utilities' service territories with a target implementation date of April 1, 2019.

- **Case No 9478 - In the Matter of the Petition of the Electric Vehicle Workgroup for Implementation of a Statewide Electric Vehicle Portfolio**

On January 22, 2018, the PC44 Electric Vehicle Workgroup leader filed a non-consensus Petition to Implement a Statewide EV Portfolio, which outlined proposals by Maryland's four investor-owned utilities (IOU) to establish an EV charging network/infrastructure across their service territories. Each utility proposal further comprised five components: Residential, Non-Residential, Public, Innovation, and

Technology "subportfolios." Between March 6, 2018, and October 4, 2018, the Commission received over 81 written public comments, including a public petition supporting the EV portfolio with 317 citizen signatories and 80 accompanying customer comments. The Commission conducted four days of legislative-style hearings, featuring diverse stakeholder panelists who provided oral comments to the Commission.

On January 14, 2019, the Commission issued Order No. 88997, approving a modified EV charging portfolio across the four IOU service territories. Summarized briefly, the Commission approved a total of 5,046 smart and DC fast chargers (combined):

- Rebate incentives for 3,137 residential smart chargers via rebate incentives;
- Rebate incentives for 1,000 non-residential smart chargers at multi-unit dwelling locations; and
- 909 utility-owned and operated public chargers.

Order No. 88997 also approved time-of-use residential rate offerings, demand charge credit programs for non-residential applications, and BGE's managed charging program to control the level of EV charging during peak demand periods. The Commission further directed the utility companies to file detailed, semi-annual reports addressing specific metrics designed to inform the Commission and the public regarding program implementation and impacts on the distribution grid.

2. PC50-2018 Retail Gas Market Conference

On October 17, 2018, the Commission held its annual retail gas conference to review the regulated gas utilities' preparations for the 2018-2019 winter heating season. The conference also was intended to increase awareness among customers about upcoming market conditions and the potential impact on service costs and reliability.

Baltimore Gas and Electric Company, Chesapeake Utilities Corporation, Columbia Gas of Maryland, Inc., Elkton Gas Company, and Washington Gas Light Company participated in the conference. The Commission appreciated the presentations, and found no basis to take any specific action as a result of the conference.

V. COMMISSION TELECOMMUNICATIONS CASES AND ACTIVITIES

A. Cases

1. Tariffing Requirements for Competitive Local Exchange Telephone Companies with 20,000 or Fewer Subscribers - Case No. 9414

As reported in the 2016 Annual Report, the Commission initiated Case No. 9414 to consider the appropriate tariffing requirement for competitive local exchange telephone companies (CLECs) with 20,000 or fewer subscribers. The procedural schedule in the matter was suspended on September 12, 2016, but a modified procedural schedule was adopted on February 3, 2017. On July 31, 2017, Staff filed a Joint Motion for Approval of Agreement of Stipulation and Settlement. An evidentiary hearing to consider the settlement agreement and to admit the testimony of Staff's witness into the record was held on July 26, 2017. On August 10, 2017, a Proposed Order was issued granting the motion and approving the settlement agreement. No appeal was taken of the Proposed Order, and it became Commission Order No. 8353.

On October 25, 2017, by Order No. 88436, the Commission set forth the procedures by which CLECS with 20,000 or fewer subscribers could remove local exchange tariffs with the Commission and request tariff requirements associated with provision of local exchange services be eliminated. During 2018, the Commission granted 10 requests from CLECs to remove their tariffs and eliminate their tariffing requirement.

B. Rulemakings

1. RM64-Revisions to COMAR 20.45.09.03 - Intrastate Switched Access Rates

On April 12, 2018, Staff requested that the Commission initiate a rulemaking aimed at reducing originating switched access rates for all telephone carriers in Maryland to the interstate rate. Further, Staff asked that the rulemaking create a regulation prohibiting originating access charges from being greater than the interstate access charges, unless otherwise allowed by the Commission. At a rulemaking session on June 6, 2018, the Commission took no action on the proposed regulations but directed Staff to file revised proposed regulations that would incorporate changes proposed by Verizon Maryland, LLC. It is expected that the Federal Communications Commission will address originating access rates, but has not yet done so.

VI. COMMISSION TRANSPORTATION CASES AND ACTIVITIES

1. RM58-Revisions to COMAR 20.90.01, .02, and .03 - Taxicabs

On July 19, 2017, the Commission provided notice of a rule making session on October 19, 2017 to consider revisions to COMAR 20.90.01, .02, and .03 regarding taxicab services in Baltimore City, Baltimore County, City of Cumberland, and City of Hagerstown. On July14, 2017, the Commission Staff submitted proposed revisions to the Commission's taxicab regulations to address issues raised by the Maryland Chapter of the National Federation of the Blind, make conforming revisions to the taxicab regulations governing taxicab operations in Hagerstown and Cumberland, and address the possible regulation of taxicabs in other jurisdictions, including St. Mary's County. The Commission requested comments on Staff's proposed revisions by October 12, 2017. On September 19, 2017, Staff filed a slightly revised version of its proposed regulations in this docket. The revisions were made to reflect similar changes made to COMAR 20.95 in RM60, with the intent of ensuring that the regulatory requirements for taxicabs remain consistent with those applicable to sedan services, transportation network companies, and other passenger-for-hire services. A rulemaking session was held on October 19, 2017, where the Commission moved to accept Staff's amendments to the regulations and to publish the proposed regulations in the *Maryland Register* for notice and comment. A rulemaking session was held on March 14, 2018, where the Commission moved to finally adopt the proposed revisions that were published for notice and comment in the *Maryland Register* dated December 22, 2017.

2. RM60-Revisions to COMAR 20.90 and COMAR 20.95 - Screening Standards

On February 6, 2017, the Commission initiated RM60 to consider revisions to COMAR 20.90 and 20.95 regarding screening standards to be used in the Commission's application review process for licensing for-hire drivers. Staff's proposed regulations included a listing of both prior driving offenses and prior criminal offenses that would bear on the fitness of for-hire drivers, including limousine, sedan, Transportation Network Operators and taxicabs.

A rulemaking session was held on August 24, 2017, to consider the proposed regulations and a request by Transportation Network Companies (TNCs), Rasier and Lyft, for a 90-day grace period to provide a Maryland vehicle inspection certificate. The TNCs request for a grace period was denied. The Commission moved to publish the revised and new proposed regulations in the *Maryland Register* for notice and comment. At a rulemaking session on January 4, 2018, the Commission finally adopted the revised and new proposed regulations as published in the *Maryland Register* on October 27, 2017.

VII. COMMISSION WATER/SEWER CASES

A. Investigation by the Commission of the Intended Abandonment of CECO Utilities, Inc. of its Franchise and Service to the Manchester Park Subdivision in Cecil County, Maryland - Case No. 9310

As reported in the 2016 Annual Report, the Commission continues its investigation on CECO Utilities, Inc.'s request to abandon its franchise for sewer service to the Manchester Park Subdivision in Cecil County, Maryland. CECO was directed to continue to operate its franchise until at least March 31, 2017.

On March 22, 2017, by Order No. 88084, the Commission directed Staff to continue to meet with the parties and file a report on the discussions by July 31, 2017. In the order, the Commission also directed CECO to continue to operate the franchise for the Manchester Park sewer system until at least July 31, 2017. After the Staff filed its report on July 31, 2017, by Order No. 88323, the Commission directed Staff to continue to meet with the parties and file a report on the discussions by October 16, 2017. In the order, the Commission also directed CECO to continue to operate the franchise for the Manchester Park sewer system until at least October 31, 2017.

On October 30, 2017, by Order No. 88451, the Commission directed Staff to continue to meet with the parties and to file Staff's final report on the matter by February 15, 2018. CECO was ordered to continue to operate the franchise for the Manchester Park sewer system until at least February 28, 2018. On February 15, 2018, Staff reported that CECO and Cecil County had negotiated an acquisition agreement. CECO was ordered to continue to operate the franchise for the Manchester Park sewer system until at least April 30, 2018, in order to allow time to finalize the acquisition agreement and file an executed copy with the Commission. A copy of the executed acquisition agreement was filed with the Commission on April 30, 2018.

B. Formal Complaint of Richard D. Boltuck v. Washington Suburban Sanitary Commission - Case No. 9391

As reported in the 2016 Annual Report, the Commission initiated this docket to consider the appeal filed, pursuant to § 25-105, Public Utilities Article, by Richard Boltuck alleging Washington Suburban Sanitary Commission's (WSSC) volumetric rates for water and sewer services adopted in June 2015 as applied to WSSC residential customers were unreasonable. The proposed order, finding the WSSC rates unreasonable, was issued on September 9, 2016, and was appealed by WSSC, OPC, and Mr. Boltuck. On March 28, 2017, by Order No. 88091, the Commission denied WSSC's appeal and affirmed the proposed order's finding that the WSSC rates were unreasonable. Additionally, in the Order, the Commission granted the appeals of OPC and Mr. Boltuck and remanded the matter to WSSC to develop reasonable rates. On July 6, 2018, Mr. Boltuck filed a letter with the Commission asserting that the WSSC was out of compliance with the Commission's order by not developing reasonable rates in a timely manner. WSSC responded in a filing on July 20, 2018, that it is in compliance with the Commission's order and has developed new rates that will become effective July 1, 2019.

VIII. COMMISSION PARTICIPATION OR INTERVENTIONS IN OTHER REGULATORY COMMISSION MATTERS

Below is a summary of selected matters in which the Commission's Office of General Counsel (OGC) represented the Commission before the Federal Energy Regulatory Commission (FERC) during 2018.

A. Delaware and Maryland State Commissions v. PJM (Artificial Island Complaint)-EL15-95

On August 28, 2015, the Delaware Public Service Commission and the Maryland Commission jointly filed a Complaint pursuant to Section 206 of the Federal Power Act against PJM and certain PJM Transmission Owners requesting that FERC find that PJM's use of a "solution-based DFAX" to allocate the costs of the Artificial Island Regional Transmission Expansion Plan Project is unjust, unreasonable, and unduly discriminatory and preferential. Complainants asserted that PJM's sole reliance on the solution-based DFAX methodology for allocating Artificial Island Project costs results in a grossly disproportionate financial impact to customers within the Delmarva transmission zone (Delaware and the Maryland Eastern Shore) when compared with the limited benefits to consumers in that zone.

On November 24, 2015, FERC issued an order finding that PJM's proposed Tariff amendments have not been shown to be just and reasonable, and may be unjust, unreasonable, or unduly discriminatory or preferential. FERC directed its staff to establish a technical conference to explore both whether there is a definable category of reliability projects within PJM for which the solution-based DFAX cost allocation method may not be just and reasonable, such as projects addressing reliability violations that are not related to flow on the planned transmission facility, and whether an alternative just and reasonable *ex ante* cost allocation method could be established for any such category of projects.

Subsequently, on April 22, 2016, FERC issued an order denying the Delaware and Maryland Commission's Complaint. Petitions for rehearing have been filed and the matter remains pending before FERC, along with a motion to defer ruling on the matter pending review of alternatives being considered by PJM.

On September 6, 2017, the Delaware and Maryland Commissions filed at FERC to reopen the record and lodge a PJM analysis more accurately depicting the beneficiaries of the Artificial Island project. On July 19, 2018, FERC granted rehearing, finding that it is unjust and unreasonable to apply PJM's solution-based DFAX cost allocation methodology to the Artificial Island project, and establishing hearing procedures to determine an appropriate methodology. On July 17, 2018, the Delaware and Maryland Commissions filed expert testimony supporting a cost allocation methodology that more appropriately assigns project costs in proportion to the areas of the electric system where the reliability concerns are meant to be mitigated. In response to requests for rehearing by PJM Transmission Owners (TOs) and New Jersey State Agencies (NJ), FERC issued an order on February 28, 2019, denying the TOs' and NJ's rehearing requests, and adopted the Stability Deviation Method (the method advocated by Maryland and Delaware) as the just and reasonable replacement rate for Artificial Island cost allocation.

B. SMECO/ Choptank Complaint against Maryland Community Solar Generation System Regulations-FERC Docket No. EL16-107

On August 23, 2016, SMECO and Choptank (collectively, the Cooperatives) filed a petition for declaratory order requesting that FERC review regulations promulgated by the Maryland Commission pertaining to community solar energy generation systems

(CSEGs). The Cooperatives requested that FERC determine whether the Commission's CSEGs regulations are preempted under federal law, including the Public Utility Regulatory Policies Act of 1978 (PURPA) to the extent that the Maryland PSC's CSEGs regulations, require (1) Maryland electric companies to purchase energy from CSEGs at a particular price and they are not qualifying facilities under PURPA and (2) require payment to CSEGs at prices higher than avoided costs.

In response, the Commission filed a Motion to Dismiss and Protest, with an accompanying Affidavit, explaining that electric distribution companies providing standard offer service (i.e., provider of last resort service for purposes of retail choice) are allowed to recover supply-related credits (paid to subscribers) from standard offer service revenues.[25]

On November 17, 2016, FERC issued an order dismissing the Cooperative's petition, concluding that the petition was premature. FERC noted that the Maryland statute implementing the pilot program provides for a voluntary election by cooperatives and municipalities to participate in the CSEGs pilot program. FERC noted further that the Cooperatives' petition does not indicate that they are participating or even intend to participate in the pilot program, and they have not filed the compliance tariffs that they need to file with the Commission in order to participate. Consequently, FERC held that the voluntary nature of the pilot program makes the Cooperatives' concerns speculative at this time.

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[25] There is nothing in the Maryland statute or the regulations that connotes a transfer of title requirement, as the Cooperatives suggest, that would turn an electric distribution company's use of generation into a resale of energy, thereby creating a wholesale sale.

In 2017, the Cooperatives filed a Petition for Rehearing and Alternative Request for Clarification. The Cooperatives sought clarification that FERC's dismissal of the SMECO/Choptank petition was without prejudice. The Commission again filed in opposition to the Cooperatives petition. On January 18, 2018, FERC issued an order denying SMECO's motion to supplement and reopen the record, and also denying SMECO's request for rehearing. FERC, however, clarified that the order dismissing SMECO's Petition for Declaratory Order was "without prejudice." FERC noted that proceedings remain pending before the Maryland Commission, and SMECO's motion does not allege any change to the facts relied upon by the Commission in dismissing the petition, particularly, that the CSEGs pilot program remains voluntary and that SMECO is not subject to the program's regulations.

C. Intra-PJM Extra High Voltage [500 kV and Above] Cost Allocation-FERC Docket EL05-121

On May 31, 2018, FERC issued a Settlement Order approving the parties' contested settlement agreement resolving pre-Order 1000 intra-PJM 500 kV and above (EHV) transmission cost allocation. Maryland PSC negotiated extensively over a period of years with western-PJM state commissions to reach a settlement pertaining to the re-allocation approximately $731 million in 500 kV and above transmission facilities costs following two appeals by the Illinois Commerce Commission regarding FERC's initial decision (and FERC's decision on remand) in this case. Subject to PJM filings implementing the settlement, Maryland Transmission Owners (BGE, Pepco and Delmarva, and FirstEnergy) will file updates to their transmission tariffs with the Commission for review and approval. The Commission was a non-opposing settlement party. Merchant transmission owners who opposed the settlement have since filed requests for rehearing, which remain pending with FERC.

D. Electric Transmission Plant Abandonment Cost

In *PJM Interconnection, LLC and Potomac-Appalachian Transmission Highline, LLC (PATH)* – Docket No. ER12-2708-000 (the PATH Abandonment Plant Case), the Presiding Judge issued the initial decision on September 14, 2015, granting some, but not all, of PATH's abandonment costs, but substantially mitigating the PATH Companies' return on equity (ROE) to 6.27% (well below the 10.54% that had been requested). On January 19, 2017, FERC issued a final order on January 19, 2017, affirming in part and reversing in part, the initial decision. FERC reversed the initial decision with regard to ROE and set the ROE at 8.11%, the low end of the range of reasonableness within the proxy group.

On January 17, 2019, FERC issued a compliance order regarding PATH's Formula Rate filing for abandonment recovery. In reviewing PATH's Formula Rate filing, FERC determined that some, but not all, of PATH's accounting adjustments complied with Opinion No. 554 (the order addressing both PATH's transmission abandonment costs and formal challenges). In the January 17 compliance order, FERC concluded that PATH failed to comply with Opinion No. 554 with respect to approximately $2,373,480 of general advertising expenses, and failed to comply with its directives regarding approximately $24,132,053 in land transactions costs for the eight properties sold after the issuance of Opinion No. 554. Accordingly, FERC directed PATH to file an additional compliance filing regarding these costs within 30 days, and to file a refund report associated with its compliance within 60 days, of the January 17 compliance order. Additionally, PATH is directed to submit a compliance filing describing its plan for ending its project operations and cancellation of its transmission formula rates within 30 days. The Commission participated significantly in the PATH transmission abandonment case and is monitoring PATH's filings to ensure that PATH's accounting adjustments comply with Opinion No. 554.

E. State Policies and Wholesale Capacity Markets-FERC Docket Nos. ER18-1314, EL16-149 and EL18-178

On April 9, 2018, PJM filed at FERC proposed changes to its capacity market rules to address its concern that subsidies provided to energy supply resources in support of state policies undermine the market. Such subsidies generally reflect payments to generators for their clean energy attributes. PJM requested FERC to select one of two alternatives to its existing market rules as just and reasonable. One option would ensure resources meeting state policies clear the market, but would raise capacity prices paid to all resources that clear the market. The second option would apply a Minimum Offer Price Rule (MOPR) to subsidized resources, effectively preventing them from clearing the market. On May 7, 2018, the Commission filed in protest of both alternatives. On June 29, 2018, FERC issued an order declaring both of PJM's alternative approaches as unjust and unreasonable. FERC additionally declared the existing market rules as unjust and unreasonable, and suggested a bifurcated approach to address state-subsidized resources. The approach would allow subsidized resources to provide capacity outside of PJM's markets, with the balance of capacity needs would be procured in the capacity market with yet to be determined market rules. On October 2, 2018, the Commission filed comments suggesting an alternative, competitive approach for carving out state-subsidized resources from the traditional capacity market (Competitive Carve Out Auction or CCOA), along with suggested exemptions to proposed MOPR rules that would support seasonal demand response programs and emerging technologies, such as offshore wind. On November 5, 2018, the Commission filed supplemental comments requesting FERC to direct PJM to work with states to develop the CCOA approach. In December 2018, the Commission, along with several other state commissions in the PJM region, began discussions with PJM to pursue development of the CCOA. A final FERC decision on this matter remains pending.

F. Transource Market Efficiency Transmission Project-FERC Docket No. ER17-419

On November 28, 2016, Transource, a merchant transmission company, filed for rate approval at FERC associated with a transmission project designed to relieve transmission congestion in the PJM interconnection. The project, as designed, would serve to reduce the cost of delivered power to BGE and Pepco customers. Transource requested the project receive 10.4% return on equity (ROE) and an additional 100 basis points in incentives. Construction costs, including provisions for inflation, were estimated to exceed $230 million. The Maryland Commission participated in settlement discussions at FERC, resulting in further cost savings to customers by negotiating to reduce ROE to 9.9% and incentives to 50 basis points. Additionally, Transource will forego incentives if costs exceed $210 million. On October, 2, 2017, Transource filed an uncontested settlement agreement with FERC, which the Maryland Commission did not oppose. FERC approved the uncontested settlement on January 18, 2018.

Transource's applications of certificates of public convenience and necessity (CPCN) are pending before the Maryland Commission and before the Pennsylvania Public Utility Commission.

G. Eastern Shore Natural Gas Rate Case-FERC Docket No. RP17-363

On January 27, 2017, Eastern Shore Natural Gas Company (ESNG) filed a rate case with FERC. OGC intervened in the proceeding on behalf of Maryland ratepayers, arguing that the proposed rates were unreasonably high and that the proffered rate design unfairly impacted customers on the southern end of the pipeline, including particularly Maryland gas customers on the Eastern Shore. OGC also joined customer groups in opposing ESNG's proposed return on equity, capital structure, and cost of service. On December 13, 2017, the parties to the FERC litigation reached a comprehensive settlement agreement that significantly reduced the magnitude of the rate increase and modified the rate design to reduce the impact of the rates on Maryland's Eastern Shore. The settlement also provides stability in gas rates for the foreseeable future by requiring a three-year stay out before a new rate case may be filed with FERC. On February 28, 2018, FERC accepted the settlement, with an additional provision that ESNG further reduce the settlement rates to reflect its new federal income tax rate, which will incorporate impacts of the federal Tax Cuts and Jobs Act of 2017.

H. Bulk Power System Resilience-FERC Docket No. AD18-7

On January 8, 2018, FERC initiated a proceeding to holistically examine the resilience of the bulk power system. On May 9, 2018, the Commission joined with OPSI calling attention to the need for FERC to consider prudency and affordability along with state and local needs and priorities in defining and addressing resilience. The comments also cautioned FERC on concerns of expanding RTOs' authorities to drive resilience programs and investments without a comprehensive examination of their scope, governance and oversight. FERC has yet to take action on this matter.

I. BGE Transmission Rate Revisions-FERC Docket No. ER17-528; *Baltimore Gas and Electric Company v. FERC*, DC Circuit No. 18-1298

On December 13, 2016, BGE filed transmission rate revision at FERC to provide a mechanism to refund or recover, as appropriate, certain deferred income tax excesses and deficiencies previously recorded and on an ongoing basis. These excesses and deficiencies are associated with previous tax rate changes, certain differences between accounting book value and tax value, and other accounting adjustments. On November 16, 2017, FERC issued an order rejecting BGE's proposed tariff revisions, indicating that utilities do not have unfettered discretion to defer tax amounts on their books for decades without seeking approval for recovery. On December 13, 2017, the Commission filed at FERC requesting clarification of its order, and requesting that BGE be directed to provide refunds to ratepayers associated with their proposed transmission rate revisions. FERC denied Maryland PSC's request for clarification. BGE filed a Petition for Review in the District of Columbia Circuit Court of Appeals on November 7, 2018. (Case No. 18-1298). On December 3, 2018, the Commission intervened in Case No. 18-1298 in order to monitor the Petition for Review proceedings initiated by BGE. A decision by the Court remains pending.

J. Title VI Complaint Regarding Issuance of CPCN to Mattawoman Energy, LLC for 990 MW Natural Gas-Fired Power Plant in Brandywine, Maryland

On May 11, 2016, the Brandywine | TB Southern Region Neighborhood Coalition and Patuxent Riverkeeper filed a complaint under Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d, with the U.S. Department of Transportation (DOT) and the U.S. Environmental Protection Agency (EPA), against the Commission, the Maryland Department of the Environment (MDE), and Maryland Department of Natural Resources

(DNR). The complaint alleges that the CPCN issued to Mattawoman Energy for the construction of a 990 MW natural gas generation facility in Brandywine, Maryland, (Prince George's County) will have a disproportionate, adverse impact on the basis of race, in violation of Title VI. The federal agencies accepted the complaint for investigation based solely on the jurisdictional requirements of both agencies.

On September 23, 2016, the state agencies and the complainants agreed to engage in Alternative Dispute Resolution (ADR), and the federal agencies suspended their investigation of the complaint for the duration of the ADR process. ADR concluded on November 10, 2017, after the parties could not reach a unanimous agreement on a proposed settlement. Thereafter, the federal agencies reinitiated their investigation of the complaint and met with the state agencies to discuss an informal resolution of the complaint. The federal and state agencies exchanged several draft proposals and in September 2018, the parties reached agreement. On January 28, 2019, the PSC, MDE and DNR executed an Informal Resolution Agreement with DOT and EPA, in which the PSC committed to: initiate a rulemaking proposing modifications to the CPCN process for fossil fuel generation facilities over 70MW in capacity, provide links to additional resources on the CPCN page of the Commission's website, adopt a formal Title VI policy and undergo training, designate an agency non-discrimination coordinator, develop and implement a Limited English Proficiency plan, and develop and implement a policy for providing persons with disabilities access and opportunity to participate in PSC programs and activities.

K. New York Independent System Operator (NYISO)-PJM Interregional Agreements-FERC Docket No. EL18-54

On December 22, 2017, the New Jersey Board of Public Utilities (NJBPU) filed a complaint at FERC asking the agency to find that NYISO is leaning upon the PJM system pursuant to interregional agreements that violate PJM tariff provisions with the potential for unjustly impacting PJM ratepayers. On February 6, 2018, the Commission joined the Pennsylvania and Delaware commissions in filing comments at FERC stressing concern for the level of uncertainty associated with the interregional agreements, further calling attention to potential associated impacts on grid planning and operations, and urging the agency to take actions to resolve the matter. On May 24, 2018, FERC denied the NJBPU complaint, and on July 20, 2018, the agency indicated that it would consider rehearing. No further action has been taken by FERC.

L. Variable Operations and Maintenance Costs-FERC Docket No. EL19-8

On October 29, 2018, PJM filed proposed changes to its Operating Agreement allowing generators to reflect major overhaul costs in their offers in either the energy or capacity markets. On November 26, 2018, the Commission joined OPSI states in requesting FERC to disallow the proposed changes, calling attention for the potential for market manipulation and/or inflated prices in both markets. On December 7, 2018, PJM filed at FERC recommending changes that would require major overhaul costs be reflected only in energy market offers. FERC has yet to take action on this issue.

IX. PJM INTERCONNECTION, INC. - THE RELIABILITY PRICING MODEL 2021/2022 DELIVERY YEAR BASE RESIDUAL AUCTION RESULTS

PJM conducted the Reliability Pricing Model (RPM) 2021/2022 delivery year base residual auction (BRA) in May 2018. The 2019/2020 auction was the first auction requiring 100% of cleared capacity be in compliance with PJM's Capacity Performance framework. This framework assesses higher penalties for nonperformance compared to base seasonal resources and rewards resources that have not cleared but perform under emergency conditions.

The 2021/2022 BRA cleared sufficient capacity resources in PJM to provide a 22% reserve margin, which is 6.2% higher than the target reserve margin of 15.8%. The total quantity of demand resources cleared in the 2021/2022 BRA increased 42% over the quantity that cleared in the 2020/2021 BRA.

The RTO unconstrained Locational Deliverability Area (LDA), (including the Allegheny Zone) cleared at $140/MW-Day. Clearing prices were approximately 83% higher compared to the 2020/2021 BRA. In LDAs associated with most of Maryland, the Pepco capacity resources cleared at $140/MW-Day, the BGE capacity resources cleared at $200.30/MW-day and DPL-South [Delmarva] resources cleared at $165.73/MW-Day. Clearing prices increased 63% in Pepco and 133% in BGE, and decreased 12% in DPL-South compared to the 2020/2021 BRA. Demand response and energy efficiency resources accounted for 13,958 MW of cleared capacity RTO-wide, with 8.2% of that amount attributed to Pepco, BGE and DPL-South. The auction marked the second time Price Responsive Demand, a mechanism to refine the load forecast by committing demand-side resources to reduce load under high energy price scenarios, served to avoid capacity purchases, amounting to 240 MW, 195 MW, and 36 MW in Pepco, BGE and DPL-South, respectively. The auction also provided the opportunity for aggregating seasonal capacity resources, amounting to 715.5 MW RTO-wide.

X. BROADENED OWNERSHIP ACT

In compliance with § 14-102 of the Economic Development Article, *Annotated Code of Maryland*, entitled the "Broadened Ownership Act," the Commission communicated with the largest gas, electric, and telephone companies in the State to ensure that they were aware of this law. The law establishes the need for affected companies to institute programs and campaigns encouraging the public and employees to purchase stocks and bonds in these companies, thus benefitting the community, the economy, the companies, and the general welfare of the State.

The following companies submitted reports outlining various efforts to encourage public and employee participation in the stock purchase program:

(a) **NiSource, Inc**. owns all of the common stock of the NiSource Gas Distribution Group, Inc., which in turn owns all of the common stock of **Columbia Gas of Maryland, Inc**. NiSource, Inc. has two plans, which encourage broadened employee stock ownership: the Employee Stock Purchase (ESP) Plan and the NiSource Retirement Savings Plan. In addition, NiSource, Inc. maintains a Dividend Reinvestment and Stock Purchase Plan that broadens stock capital ownership by all stockholders, including employees, by enabling them to reinvest their dividends to acquire additional shares of common stock.

On August 31, 2018, NiSource, Inc. had 363,107,741 shares of its common stock outstanding, of which 217,759 were acquired by employees during the previous

12 months through the ESP Plan and 906,938 through the NiSource Inc. Retirement Savings Plan (for an aggregate total of 1,124,697). As of August 31, 2018, NiSource, Inc. had approximately 445 registered stockholders with Maryland addresses, holding approximately 6,726,353 shares of NiSource, Inc. common stock.

(b) As of September 28, 2018, **Exelon Corporation**, the parent of **Baltimore Gas and Electric Company, Potomac Electric Power Company**, and **Delmarva Power & Light Company** reported that 12,173 Maryland residents, representing 12% of Exelon's total registered shareholders, owned 5,299,912 (0.6%) of the outstanding shares of common stock. Of these Maryland shareholders, 5,340 (5%), of Exelon's total registered shareholders owning 1,978,018 (0.2%) of the legal outstanding shares of common stock, were participants in the Direct Stock Purchase Plan.

As of September 28, 2018, 2,810 current or former employees who are Maryland residents held an aggregate of 1,679,570 equivalent shares of Exelon common stock in their 401(k) accounts in the Employee Savings Plan. In addition, 322,812 shares were held by 1,297 current or former employees who are Maryland residents and participate in the Exelon Employee Stock Purchase Plan.

(c) The **Potomac Edison Company** was a wholly-owned subsidiary of Allegheny Energy, Inc. (AE) through February 25, 2011, at which point it became a subsidiary of **FirstEnergy Corporation** (FE). In April 2012, the Allegheny Employee Stock Purchase Plan was merged into the FE Employee Savings Plan (FE Plan). Approximately 93% of FE's employees were contributing to the FE Plan as of December 31, 2017, and 17,704 participants had FE stock as part of their account balance within the FE Plan. As of December 31, 2017, 1,765 Maryland residents held approximately 571,482 shares of FE stock as stockholders of record, which represents approximately 2.20873% of all FE registered stockholders and 0.12831% of all shares. In addition, as of December 31, 2017, five AE stockholders living in Maryland, owning the equivalent of 182.091 FE shares, had not yet exchanged their AE shares for FE shares.

(d) Washington Gas Light Company submitted its report on broadened ownership of the Company's capital stock, particularly among residents of Maryland and Company employees, on October 31, 2018. On July 6, 2018, WGL Holdings, Inc. merged with **AltaGas, Ltd**. As a result of the merger, all stock in **WGL Holdings, Inc**. was liquidated. Accordingly, the information that follows represents common stock of WGL Holdings as of July 6, 2018, prior to liquidation. Approximately 27% of registered shareholders resided in Maryland, representing 1.54% of WGL's outstanding common shares. WGL employees also participated in the ownership of the Company. As of July 6, 2018, 112 employees were actively participating in the Company's "Dividend Reinvestment and Common Stock Purchase Plan" through payroll deductions. Additionally, approximately 755 employees (both active and inactive) owned shares through the Company's defined contribution plans. Of these, a total of 302 employees, former employees, and retirees resided in Maryland.

(e) **Verizon Maryland, LLC** is a wholly owned subsidiary of Verizon Communications Inc. Public stockholder ownership in the Maryland company is obtained through the purchase of Verizon Capital Stock. The Verizon Savings Plan enables employees to purchase stock in Verizon Communications, Inc. As of September 30, 2018, 16,430 Maryland residents held Verizon stock.

XI. REPORTS OF THE AGENCY'S DEPARTMENTS/DIVISIONS

A. Office of Executive Secretary (*Terry J. Romine, Executive Secretary*)

The Executive Secretary is responsible for the daily operations of the Commission and for keeping the records of the Commission, including a record of all proceedings, filed documents, orders, regulation decisions, dockets, and files. The Executive Secretary is an author of, and the official signatory to, minutes, decisions and orders of the Commission that are not signed by the Commission directly. The Executive Secretary is also a member of a team of policy advisors to the Commission.

The Office of Executive Secretary (OES) is responsible for the Commission's case management, expert services procurement, order preparation, purchasing and procurement, regulation development and coordination, tariff maintenance, the Equal Employment Opportunity Program, operations, fiscal and budget management, the Commission's information technology system including databases and the official website and intranet website, as well as consumer affairs. The OES contains the following divisions:

1. Administrative Division

a. Case Management Unit

The Case Management Unit creates and maintains formal dockets associated with proceedings before the Commission. In maintaining the Commission's formal docket, this unit must ensure the security and integrity of the materials on file, while permitting access to the general public. Included within this security function is the maintenance of confidential/proprietary information relating to the conduct of utility regulation and required compliance with detailed access procedures. During 2018, this unit established

30 new non-transportation-related dockets and processed 2,424 non-transportation-related case items. This unit is also responsible for archiving the formal dockets based on the record retention policies of the Commission.

b. Document Management Unit

The Document Management Unit is responsible for developing the Commission's Administrative Meeting Agenda, the official open meeting action agenda mandated by law. During 2018, this unit scheduled 46 Commission administrative meetings at which 449 administrative items were considered and decided upon pursuant to the Commission's authority. Additionally, this unit is responsible for docketing public conferences held by the Commission. One administrative docket public conference was initiated in 2018. This unit also processed 4,919 filings, including 1,204 memoranda.

c. Regulation Management Unit

This unit is responsible for providing expert drafting consultation, establishing and managing the Commission's rulemaking docket, and coordinating the adoption process with the Secretary of State's Division of State Documents. During 2018, this unit managed four rulemaking dockets that resulted in final adoption of regulation changes to COMAR Title 20 – Public Service Commission, and five rulemaking dockets that remain active.

d. Operations Unit

This unit is responsible for managing the Commission's telecommunications needs and its motor vehicle fleet, as well as being the liaison for building maintenance, repairs and construction needs of the Commission. In addition, this unit is responsible for the Equal Employment Opportunity Program.

2. Fiscal Division

a. Fiscal and Budget Management Unit

This section manages the financial aspects of the daily operations of the Commission. The operating budget totaled $25,322,327 for fiscal year ending June 30, 2018. This budget consisted of $24,619,572 in special funds and $702,755 in federal funds. Included within the normal State functions are two unique governmental accounting responsibilities. The first function allocates the Commission's cost of operation to the various public service companies subject to the Commission's jurisdiction. The second function allocates the budget associated with the Department of Natural Resources' Power Plant Research Program to electric companies distributing electricity to retail customers within Maryland. This section also administers the financial accountability of the Pipeline Safety Program and the Hazardous Liquid Pipeline Safety Program, which are partially reimbursed by the Federal Department of Transportation, by maintaining all associated financial records consistent with federal program rules, regulations, and guidelines requiring additional record keeping.

b. Purchasing and Procurement Management

This section is responsible for expert services procurement and all other procurements required by the Commission as well as the overall control of supplies and equipment. This section is also responsible for agency forms management and record retention management. This section's staff maintained and distributed the fixed and disposable assets, maintained all related records, purchased all necessary supplies and equipment, and coordinated all equipment maintenance. As of June 30, 2018, this section was maintaining approximately 87 items of disposable supplies and materials totaling $7,015 and fixed assets totaling $2,009,078.

3. Information Technology Division

The Information Technology Division (IT) functions as the technical staff for the Commission's network and computer systems. IT is responsible for computer hardware and software selection, installation, administration, training, and maintenance. IT manages and maintains the content and technical components of the Commission's internal and external websites. In 2018, IT (a) instituted a new agency-wide Inventory Management System that utilizes RFID technology; (b) implemented Sophos--a new Enterprise IT asset anti-virus and endpoint detection and response system; (c) provisioned memory upgrades for VMWare FileServer PSC_3; (d) Deployed SSL Certification for all web-based PSC network servers; (e) implemented PSC website translate button/feature; and (f) configured and deployed 30 upgraded PSC client desktops (mini-workstations).

4. Consumer Affairs Division

The Consumer Affairs Division (CAD), formerly the Office of External Relations,[26] investigates and responds to consumer complaints relating to gas, electric, water, and telephone services. CAD investigators act as impartial intermediaries in order to resolve disputes between consumers and utility companies based on applicable laws, regulations, and tariffs. In 2018, the CAD investigated 2,696 consumer complaints.[27] Of

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[26] The name change became effective on December 4, 2018, at which time CAD also became a division within the Office of Executive Secretary.

[27] A single complaint may have been assigned to more than one company/supplier code, complaint code(s), and company types. Consequently, the total number of complaints filed and the total number of issues or company types listed may not be equal.

those complaints 1,842 involved gas and electric issues[28], while 199 were telecommunication complaints, 52 complaints related to water companies, and 43 complaints involved other issues. CAD investigated 651 initial complaints against suppliers–a number that represents approximately 0.15% of the more than 438,000 residential utility customers enrolled with a supplier. Most supplier disputes involved unauthorized enrollment (slamming), misrepresentation of company and/or terms, increase of variable rates, contract renewal, early termination fees, and general billing disputes.

The Division received 2,855 requests for payment plans or extensions via telephone and web submission, and fulfilled 39 requests for information concerning the Commission, utilities and suppliers. Through CAD's efforts, Maryland consumers saved more than $325,000 through bill credits, late payment fees waivers, reversals of charges, bill adjustments, or other waivable fees granted to consumers as a part of dispute resolution.

CAD staff members work to provide the public with timely and useful utility related information based on feedback received from consumers as well as continue to have regular meetings with the utilities to ensure that all staff is responding appropriately to consumer concerns. Effective January 1, 2019, CAD no longer accepts requests for payment arrangements, as this is a service offered directly by utilities and regulated by COMAR. As a result, CAD has been able to improve office efficiency and increase the number of staff dedicated to investigating complaint submissions. Also, with the

[28] The majority of complaints against gas and electric local distribution companies and energy suppliers concerned billing issues, followed by quality of service issues.

reorganization of the Division, CAD is now able to offer all aforementioned services to Spanish speaking consumers.

B. Office of General Counsel (*H. Robert Erwin, General Counsel*)

The Office of General Counsel (OGC) provides legal advice and assistance to the Commission on questions concerning the jurisdiction, rights, duties or powers of the Commission, defends Commission orders in court, represents the Commission in federal and State administrative proceedings, and initiates and defends other legal actions on the Commission's behalf as needed. OGC also supervises enforcement of the Commission's rules, regulations and filing requirements as applied to utilities, common carriers, and other entities subject to the Commission's jurisdiction, and leads or participates in special projects as directed by the Commission.

During 2018, in addition to assisting the Commission in timely adjudicating several utility rate cases, OGC attorneys also assisted the Commission by addressing utility service reliability, applications for development of new electricity generation, development of procedures for cyber security reporting, and the merger application of AltaGas Ltd. and Washington Gas Light Company. OGC also routinely provides legal support to the Commission by responding to requests for information pursuant to the Maryland Public Information Act and by addressing customer complaints related to public service companies.

Below is a summary of selected federal and State cases litigated by OGC:

1. *In the Matter of the Application of Washington Gas Light Company for Authority to Implement a Strategic Infrastructure Development and Enhancement Plan and Associated Cost Recovery Mechanism,* Circuit Court for Montgomery County, Case No. 407503-V; Maryland Court of Special Appeals No. 00117/16; *Washington Gas Light Company v. Maryland Public Service Commission*, No. 81, Sept Term, 2017; 460 Md. 664 (2018)

On July 2, 2015, in Case No. 9335, the Commission ruled that the STRIDE Act did not permit reimbursement to WGL for that portion of its gas infrastructure improvements located outside of Maryland, regardless of whether the improvements would provide benefits within Maryland. WGL appealed that decision to the Circuit Court for Montgomery County, which issued an opinion affirming the Commission's decision on March 23, 2016.

WGL appealed that decision to the Court of Special Appeals. On November 1, 2017, the Court of Special Appeals issued a published decision, affirming the decision of the Commission. On December 1, 2017, WGL petitioned the Maryland Court of Appeals for a Writ of Certiorari. The Court granted WGL's petition on February 5, 2018.

In *Washington Gas Light Company v. Maryland Public Service Commission*, 460 Md. 667 (2018), the Maryland Court of Appeals affirmed the Commission's conclusion that Section 4-210 of the Public Utilities Article (the STRIDE Act) does not authorize the Commission to approve surcharge recovery by a utility for work performed outside of Maryland. The Court reached this conclusion based upon the clear language – "in the State" – of § 4-210(b). WGL had contended, without opposition, that its work in Virginia would directly benefit its Maryland ratepayers. The Court emphasized that the language of the statute removed any discretion by the Commission to extend surcharge approval outside of Maryland.

2. *In the Matter of the Merger of Exelon Corporation and Pepco Holdings, Inc.*, Circuit Court for Queen Anne's County - Case No. 17-C-15-019974; Maryland Court of Special Appeals, No. 2547; *Maryland Office of People's Counsel, et al v. Maryland Public Service Commission,* Maryland Court of Appeals No. 15, Sept Term 2017); 461 Md. 380 (2018)

On May 15, 2015, the Commission approved the merger of Exelon and PHI Holdings, Inc. (PSC Case No. 9361). The Maryland Office of People's Counsel (OPC), Sierra Club, and Chesapeake Climate Action Network filed petitions for judicial review in the Circuit Court for Queen Anne's County. On August 12, 2015, the Circuit Court issued an order agreeing with the Commission that the merger should not be stayed pending additional discovery by petitioners. On January 8, 2016, the Circuit Court affirmed the Commission's merger order, finding that the Commission "properly and objectively" considered the relevant evidence and that the order was supported by substantial evidence.

The three petitioners appealed that decision to the Court of Special Appeals, arguing that the Commission failed to sufficiently consider and explain its rejection of the PHI ratepayers' right to a portion of the transaction's shareholder premium or that the transaction posed no harm to distributed generation. In an unreported opinion issued on January 27, 2017, the Court of Special Appeals affirmed the decision of the Commission and that of the Queen Anne's County Circuit Court, finding that the Commission properly considered all of the potential harms of the merger and that the Commission's findings were supported by substantial evidence on the record.

On June 21, 2017, the Court of Appeals granted OPC's and Sierra Club/Chesapeake Climate Action Network's petition for a writ of certiorari to review two issues concerning the Commission's approval of the acquisition of PHI by Exelon Corporation. The Court of Appeals affirmed the Commission's merger order on August 29, 2018.

In Maryland Office of People's Counsel v. Maryland Public Service Commission, 461 Md. 380 (2018), the Court concluded that the Commission acted within its discretion when it approved the acquisition without finding that an "acquisition premium" paid by Exelon caused consumer harm or was inconsistent with the public interest. The Court also concluded that the Commission acted within its delegated discretion when it determined that any harm to renewables and distributed generation markets caused by the acquisition was speculative.

3. ***In the Matter of the Petition of Dan's Mountain Wind Force, LLC,*** **Circuit Court for Baltimore City - Case No. 24-C-17-003715) (PSC Case No. 9413)**

On June 16, 2017, in Order No. 88260, the Commission affirmed with further justification the Proposed Order of the Public Utility Law Judge in Case No. 9413 denying Dan's Mountain Wind Force, LLC a Certificate of Public Convenience and Necessity for construction of a 59.5 MW wind energy generating facility in Allegany County, Maryland. Dan's Mountain petitioned for judicial review of Order No. 88260 alleging the order suffered from errors of law, was arbitrary and capricious in light of the Commission's decisions on other projects, and ignored substantial evidence as to the benefits of the project. Oral argument was held on January 12, 2018. A decision of the Circuit Court remains pending as of the filing of this report.

4. *Petition for Judicial Review of Order No. 87891 and 87994 in the Matter of a Request by Baltimore Gas and Electric Company for Recovery of Standard Offer Service Related Cash Working Capital Revenue Requirement*, Circuit Court for Baltimore City - Case No. 24-C-12-00893 (PSC Case No. 9221)

On November 17, 2016, the Commission issued Order 87891 revising the Standard Offer Service Administrative Charge to allow BGE to collect a charge for the Company's Cash Working Capital cost. OPC filed a Petition for Rehearing on the issue. On January 24, 2017, the Commission denied OPC's rehearing request. OPC filed a Petition for Judicial Review in the Circuit Court for Baltimore City. On August 7, 2017, the Court affirmed the Commission's decision. OPC filed a notice of appeal with the Maryland Court of Special Appeals. The Court heard oral argument on October 10, 2018. A decision by the Court remains pending.

5. *Costley v. Baltimore Gas and Electric*; Circuit Court for Baltimore City, Case No. 24-C-17-004398 AA; Maryland Court of Special Appeals September Term 2017, No. 2612.

On July 25, 2017, the Commission issued a decision denying Nathaniel M. Costley's complaint that Baltimore Gas and Electric Company had presented him inaccurate and excessive bills over the course of years, including through the use of an inaccurate meter. Mr. Costley filed a petition for judicial review of this decision on August 25, 2017, which the Commission opposed. On February 14, 2018, the Circuit Court dismissed Mr. Costley's petition, finding that he had not properly prosecuted the case. Mr. Costley appealed that decision, which the Maryland Court of Special Appeals denied on June 1, 2018.

6. ***Petition of Maryland Alliance for Fair Competition, Inc. v. Maryland Public Service Commission, In the Circuit Court for Baltimore City; Case No. 24-C-18-001-291*** **(PSC Case No. 9235)** ***(Sept. 10, 2018)***

On March 7, 2018, Maryland Alliance for Fair Competition, Inc. (Alliance) sought judicial review of Commission Order Nos. 86184 and 88558 addressing the practices of Baltimore Gas and Electric Company (BGE) and BGE Home Product Services, Inc. with regard to the use of "BGE" as a trade name. The Alliance contended that BGE Home's ability to make use of BGE's name and trademark constituted an illegal subsidy under PUA § 7-211(h)(6) and/or § 7-211(i)(4) (the EmPower Maryland Energy Efficiency Act). The Commission rejected the Alliance's request based on previously existing COMAR regulations which authorized such use as well as the language of § 7-211, which fairly clearly intends to prevent consumers from paying for benefits issued by BGE to BGE Home through higher rates.

On September 10, 2018, the Court (Judge Michael DiPietro) affirmed Order Nos. 86184 and 88558, concluding that the record before the Commission provided no evidence to suggest that BGE customers are burdened by BGE Home's free use of the trademark and logo of BGE. The Court further noted that to the extent Alliance suffered any harm through third-party competition with BGE Home, that harm was not what the Act intended to prevent.

7. ***In the Matter of Altschuld v. Baltimore Gas and Electric Company,*** **Circuit Court for Anne Arundel County - Case No. C-02-CV-18-001884**

On June 28, 2018, Glenn Altschuld sought judicial review of the Commission's order dismissing his complaint against Baltimore Gas and Electric Company (BGE), contesting the company's authority to replace complainant's analog meter with a digital

Electronic Receiving Transmitter meter. The matter is pending the filing of answering memoranda by the Commission and BGE.

8. *In the Matter of the Petition of New Frontiers Telecommunications, Inc.,* Circuit Court for Washington County - Case No. C-21-CV-18-000617 (PSC Case No. 9452)

On September 7, 2018, New Frontiers Telecommunications, Inc. sought judicial review of Commission Order No. 88793 dismissing New Frontiers' complaint against Verizon Maryland LLC, alleging that Verizon's billing and dispute practices were unreasonable and unjustly burdensome. New Frontiers also requested that the court stay and remand the Commission's order to permit the petitioner the opportunity to present new evidence. Verizon and the Commission both opposed New Frontiers' request to stay, and filed answering memoranda in response to New Frontiers' petition. The Commission further requested that should the Court grant a stay, New Frontiers should be required to post a bond in order to assure payment of the substantial unpaid charges claimed by Verizon in the event New Frontiers' petition is unsuccessful. The matter is awaiting oral argument.

9. *In the Matter of Pascalev v. Potomac Electric Power Company,* Circuit Court for Montgomery County - Case No. 455206-V

On September 21, 2018, Mario Pascalev sought judicial review of the Commission's order dismissing his complaint against Potomac Electric Power Company (Pepco), opposing the Company's imposition of an opt-out fee upon ratepayers who choose not to have a smart meter installed in their homes. The matter is pending the filing of answering memoranda by the Commission and Pepco.

10. *In the Matter of the Petition of the Maryland Office of People's Counsel,* Circuit Court for Baltimore City - Case No. 24-C-18-005476 (PSC Case No. 9455)

On October 4, 2018, the Maryland Office of People's Counsel (OPC) sought judicial review of the Commission's September 5, 2018 Letter Order permitting Delmarva Power & Light Company to adjust its rates to recover the revenue requirement approved by the Commission in Order No. 88567 as opposed to a lesser amount submitted by Delmarva pursuant to incorrect tariff sheets accompanying the Company's compliance filing. The matter is pending the filing of answering memoranda by the Commission and Delmarva.

C. Office of the Executive Director (*Anthony Myers, Executive Director*)

The Executive Director and two Assistant Executive Directors supervise the Commission's Technical Staff. The Executive Director's major supervisory responsibility consists of directing and coordinating the work of the Technical Staff relating to the analysis of utility filings and operations, the presentation of testimony in Commission proceedings, and support of the Commission's regulatory oversight activities. The Executive Director supervises the formulation of Staff policy positions and serves as the liaison between Staff and the Commission. The Executive Director is also the principal contact between the Staff and other State agencies, commissions and utilities.

1. Accounting Investigations Division (*Jamie Smith, Director*)

The Accounting Investigations Division is responsible for auditing utility books and records and providing expertise on a variety of accounting, taxation and financial issues. The Division's primary function includes developing utility revenue requirements, auditing fuel costs, auditing the application of rates and charges assessed by utilities, monitoring utility earnings, examining the effectiveness of cost allocations, analyzing the financial integrity of alternative suppliers seeking licenses to provide services, and assisting other divisions and State agencies. Historically, the Division has also been responsible for project management of Commission-ordered utility management audits. Division personnel provide expertise and guidance in the form of expert testimony, formal comments on utility filings, independent analyses on specific topics, advisory services and responses to surveys or other communication with the Commission. The Division keeps up to date with the most recent changes in accounting pronouncements and tax law, and applies its expertise to electric, gas, telecommunications, water, wastewater, taxicabs, maritime pilots, and toll bridge matters.

During 2018, the Accounting Investigations Division's work responsibilities included assisting other divisions, conducting audits of utility fuel programs and other rate adjustments, ongoing evaluation of utility base rates, STRIDE rates, and providing appropriate analysis of utility filings and rate initiatives. Division personnel provided expert testimony and recommendations relating to the performance of ongoing audits of 15 utility fuel programs and 11 other rate adjustments, and provided appropriate analysis and comment with respect to 166 filings submitted by utilities. In addition, Division personnel participated in approximately 17 formal proceedings and a number of special assignments.

2. Electricity Division

The Electricity Division conducts economic, financial and policy analyses relevant to the regulation of electric utilities, electricity retail markets, low income concerns, and other related issues. The Division prepares the results of these analyses in written testimony, recommendations to the Commission, and various reports. This work includes: retail competition policy and implementation related to restructuring in the electric utility industry, rate of return on equity and capital structure, pricing structure and design, load forecasting, low income customer policy and statistical analysis, consumer protection regulations, consumer education, codes of conduct, mergers, and jurisdictional and customer class cost-of-service determinations. The Division's analyses and recommendations may appear as expert testimony in formal proceedings, special topical studies requested by the Commission, leadership of or participation in workgroup processes established by the Commission, or formal comments on other filings made with the Commission.

As part of rate proceedings, the Division's work lies in three main areas: Rate Design, the setting of electricity prices to recover the cost (as annual revenue) of providing service to a specific class (*e.g.*, residential) of customers; Cost of Service Studies, the classification of utility operating costs and plant investments and the allocation of those costs to the customer classes that cause them; and Cost of Capital, the financial analysis that determines the appropriate return to allow on a utility's plant investment given the returns observed from the utility industry regionally and nationally.

In addition to traditional Rate-of-Return expertise, the Division maintains technical and analytical professionals whose function is to identify and analyze emerging issues in Maryland's retail energy market. Division analysts research methods of electricity procurement, retail energy market models, energy and natural resource price trends, annual electricity cost data, renewable energy issues, economic modeling of electricity usage, and other areas that reflect characteristics of electricity costs.

During 2018, the Division's work included expert testimony and/or policy recommendations in approximately 62 administrative proceedings, six formal proceedings and five rate cases. In addition to traditional regulatory analysis, Electricity Division personnel facilitated several stakeholder working groups covering net energy metering, retail market electronic data exchange, retail market supplier coordination and Baltimore Gas and Electric Company's prepaid pilot program. The Division was also tasked with evaluation of legislation on renewable energy programs, community solar, and smart meters.

3. Energy Analysis and Planning Division (*Daniel Hurley, Director*)

The Energy Analysis and Planning Division (EAP) is primarily responsible for evaluating and reporting to the Commission on the results of advanced meter infrastructure (AMI) deployment and the EmPOWER Maryland energy efficiency and demand response programs, which are operated by the electric utilities in accordance with the EmPOWER Maryland legislation.

Division members have analytical and/or oversight responsibilities on a wide range of subjects: energy efficiency and demand response programs, regional power supply and transmission planning through participation in PJM working groups and committees, advanced metering infrastructure and smart grid implementation; the SOS competitive solicitations, the wholesale energy markets focusing on prices and availability, Maryland's renewable energy portfolio standard, wholesale market demand response programs, applications for retail natural gas and electricity suppliers, applications for community solar projects and applications for small generator exemptions to the CPCN process.

During 2018, EAP was directly responsible or involved in several significant initiatives including:

- EmPOWER Maryland
    - Preparing semi-annual reports for the utilities' energy efficiency and demand response programs.
    - Assisting in the development of the annual EmPOWER Maryland report the Commission prepares for the General Assembly.
    - Direct oversight of the evaluation, measurement and verification process of an independent evaluator, producing annual impact and cost-effectiveness evaluation.
    - Conducting work groups related to the 2018-2020 EmPOWER Maryland energy efficiency and demand response plans.
    - Reviewing the annual EmPOWER Maryland surcharge filings for cost recovery of the EmPOWER Maryland programs.
    - Monitoring the Customer Investment Fund (CIF) programs and preparing the annual CIF report.
- AMI/Smart Meters
    - Evaluating and reporting on the quarterly Smart Grid metric reports prepared by BGE, Pepco and DPL.
    - Monitoring the deployment of smart meters in SMECO's territory.
- Preparing the *Ten-Year Plan (2018-2027) of Electric Companies in Maryland*.
- Preparing the *Renewable Energy Portfolio Standard Report of 2018*.
- Monitoring several PJM committees and work groups, including the Transmission Expansion Advisory Committee, Markets and Reliability Committee, Planning Committee, Market Implementation Committee, Members Committee, Demand Response Subcommittee, Resource Adequacy Analysis Subcommittee, and Regional Planning Process Task Force.
- Monitoring the SOS procurement processes to ensure they were conducted according to codified procedures consistent with the Maryland restructuring law.
- Continuing to work with electricity and natural gas suppliers to bring retail choice to the residential and small commercial markets.
- Participating in NARUC activities.

- Monitoring, and where appropriate, participating in, initiatives of the PJM, FERC, and OPSI.
- Providing assistance on rate cases.
- Providing testimony and assistance in fuel cost adjustment cases.
- Monitoring and providing comments on PC 44 work groups.
- Participating as the Commission's designee on the Electric Vehicle Infrastructure Council.

4. Engineering Division (*John Borkoski, Chief Engineer*)

The Commission's Engineering Division monitors the operations of public service companies for safety, efficiency, reliability and quality of service. The Division's primary areas of responsibility include electric distribution and transmission, gas and electric metering, private water and sewer distribution systems, certification of solar renewable energy facilities, and natural gas and hazardous liquid pipeline safety.

In 2018, the Engineering Division continued its monitoring and review of the utilities' implementation of the Commission's electric distribution system service quality and reliability regulations found in COMAR 20.50.12. By April 1 of every year the utilities file their annual reliability reports for the previous year.[29] The Engineering Division reviewed each of the reports and provided the Commission with its analysis and recommendations in a July 27, 2018 hearing. Staff also reviews and provides recommendations on any utility corrective action plans outlining how the utilities expect to meet reliability targets in the future when the reliability targets have been missed in the previous year.

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[29] *See* Section IV, Subsection C.1 (Review of Annual Performance Reports on Electric Service Reliability Filed Pursuant to COMAR 20.50.12.11 – Case No. 9353). Case No. 9353 was originally opened in May 2014 for the purpose of reviewing the annual reliability performance reports first filed for calendar year 2013.

The Vegetation Management Workgroup (VMWG), led by the Engineering Division, held its annual meeting in December 2018 and decided no changes were required to the original regulations for tree trimming promulgated by the RM43 rulemaking with resultant regulations subsequently codified in COMAR 20.50.12.09 and effective on May 28, 2012. The VMWG also reviewed utility progress on implementing vegetation management customer communication best practices. This year's discussions also centered on new American National Standards Institute (ANSI) A300 standard revisions for tree trimming and their utility impacts. In anticipation of resetting the reliability performance indices standards for utilities in COMAR 20.50.12.02D for 2020 through 2023, Engineering Staff led the Reliability Targets Workgroup (RTWG) per Commission Order No. 88406 in September 2017. A final RTWG report with recommendations to address the cost effectiveness of reliability target proposals was filed with the Commission on January 5, 2018. Subsequently the utilities filed reports consistent with the RTWG recommendations and a Commission hearing was held on August 28, 2018, as part of the Case No. 9353 docket, to consider establishing reliability indices in COMAR 20.50.12.02D for 2020 through 2023.

The Commission received 6,918 applications for in-state photovoltaic (PV) Solar Renewable Energy Credits (SRECs) and approved SRECs for approximately 205 MW of solar power. Electric utilities in Maryland purchase SRECs generated in Maryland to comply with the Renewable Portfolio Standard (RPS). The Commission's Energy Analysis and Planning Division completes annual RPS reports. A registry of RECs is also maintained by the PJM Generator Attribute Tracking System Environmental Information Service (GATS-EIS).

Most PV solar systems approved have been small residential installations from 1kw to 20kW. The Commission received five CPCN applications for utility-scale solar developments in 2018. The Engineering Division and the Power Plant Research Program (PPRP) of the Maryland Department of Natural Resources provides testimony in these cases. Maryland counties have played an increasing role in these cases with zoning restrictions for the large solar projects. There have been 45 solar CPCN cases (projects greater than 2 MW) filed since 2011. Some are built for energy sales into the PJM market and others are net-metered energy with facilities such as hospitals, schools, prisons, college campuses and other government facilities. There have also been projects applying for the Community Solar Pilot Program governed by COMAR 20.62 (effective as of July 18, 2016).

The Engineering Division provided testimony in Pepco's microgrid project proposal in 2018 (Case No. 9361). Order No. 88836 was issued on September 17, 2018, denying this microgrid proposal on the basis of Pepco's seeking to fund their proposal entirely from customers. Pepco's proposal also lacked essential metrics for a pilot study and a definitive sunset date.

The Commission conditionally approved two offshore wind projects in 2017. According to COMAR 20.61.06, the projects will be funded with offshore wind renewable energy credits. U.S. Wind plans to construct 248 MW approximately 14 miles off the coast of Ocean City, Maryland, with an expected in-service date of 2021. Skipjack plans 120 MW off the coast of Delaware with an expected commercial operating date of November 2022. The capacity factors of both projects are expected to be about 42 percent. The projects were reviewed by the Commission in Case No. 9431 to comply with the Maryland Offshore Energy Act of 2013. Both companies are required to maintain offshore lease sites through the federal Bureau of Ocean Energy Management. Business models and supply chains are currently being developed. Updates were provided in 2018 by both projects to the Joint Evaluation (JE) Agenda Committee.[30]

The Engineering Division participated in eight utility rate cases in 2018, providing testimony regarding the prudency of projects related to reliability, safety and economics. The Engineering Division also participated in two merger proceedings--Case No. 9449 for the AltaGas merger with WGL, and Case No. 9475 for the merger of South Jersey Industries, Inc. and Elkton Gas.

The Engineering Division's Pipeline Safety Group was active throughout the State monitoring PSC-ordered replacement of bare steel propane piping on the Eastern Shore, evaluating the progress of mitigation of leaks caused by failed mechanical gas couplings in Prince George's County, and monitoring the progress of Sandpiper Energy (formerly Eastern Shore Gas) in the conversion of its distribution system from propane to natural gas. In March of 2018, Sandpiper Energy, completed the removal of the bare steel pipe in the former Eastern Shore Gas system. All of the Commission's senior pipeline and hazardous liquid safety engineers are fully trained for their roles in enforcement of federal pipeline safety regulations within the State.

In 2018, BGE, Columbia Gas, and WGL reapplied for their second iteration of STRIDE--Case No. 9468 (BGE), Case No. 9486 (WGL) and Case No. 9479 (Columbia).

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[30] The Joint Evaluation Agenda Committee is comprised of representatives from Maryland Environmental Agencies and the Army Corps of Engineers. It meets monthly in Annapolis to review environmental projects around the state.

All three companies were approved to continue with STRIDE programs subject to certain conditions. The Engineering Division's Pipeline Safety Group participated in the review of the plans for the Commission and is currently monitoring the companies' progress in the implementation of each of the plans.

In 2018, the Engineering Division's Pipeline Safety Group continued inspection of jurisdictional pipeline operators to ensure compliance with applicable pipeline safety regulations. Additionally, in 2018, the Engineering Division's Pipeline Safety Group conducted three incident investigations:

1. BGE: a manhole explosion in downtown Baltimore which resulted in injury to a contractor;
2. BGE: an apartment fire in Baltimore, where utility gas infrastructure was not the primary cause; and
3. BGE: a house explosion in Laurel, where the cause is still under investigation.

The first event involving BGE was determined to be jurisdictional to the Commission as it was established that the company's facilities were related to the cause of the event. The second event was determined not to be jurisdictional as the fire started first and then gas became involved. The last event is currently under investigation.

The Engineering Division investigated the Massachusetts gas over-pressurization event that occurred on September 13, 2018, and issued a report to the Commission on December 21, 2018. The report contained an overview of the event and the different legislative, regulatory, gas industry actions completed or in progress.

Annually, the Engineering Division's Pipeline Safety Program is audited by the Pipeline and Hazardous Materials Safety Administration (PHMSA) of the U.S. Department of Transportation, as part of its agreement with the PHMSA. The audit is conducted by PHMSA to ensure that the Engineering Division's Pipeline Safety Group is conducting inspections of its jurisdictional operators according to PHMSA's State Guidelines and the Pipeline Safety Group's own procedures. In 2018, the Pipeline Safety Group was audited on its CY2017 inspections and, in a significant achievement, received a score of 100% for its Gas State Program and 100% for its Hazardous Liquids Program.

During 2018, the Engineering Division participated in the Maryland Emergency Management Agency's (MEMA) emergency preparedness and response efforts. The PSC and the Maryland Energy Administration (MEA) are jointly responsible for leading MEMA's Power Infrastructure Strategic Coordinating Function (SCF) for utility coordination related to service outages and fuel supply coordination during fuel disruptions. This included activating the State's Emergency Operations Center (SEOC) during several storms in 2018; participating in state-wide emergency training sessions, drills, and coordination meetings; updating the agency's MEMA Event Storm Manual that outlines the Power Infrastructure SCF contacts and procedures for staffing the SEOC; and participating in the MEMA Joint Operations Group conference calls responsible for establishing situational awareness and initial management and coordination during emergent situations prior to activation of the SEOC. Whenever the SEOC raises the State Response Activation Level requiring either partial activation or full activation of the Power Infrastructure SCF, the Engineering Division Staff coordinates sufficient staff coverage to the SEOC.

Engineering Division Staff attended the MEMA Maryland Resilience Retreat on Nov 29-30, 2018. A Maryland Action Plan based on this workshop is being prepared by the National Governor's Association and will be distributed in 2019.

Winter Storm Riley was a powerful March 2018 Nor'easter with wind gusts statewide between 60 mph and 70 mph with a peak wind gust measured at 72 mph in Baltimore's Inner Harbor. Riley caused major impacts in the Northeastern, Mid-Atlantic and Southeastern United States. 774,821 Maryland customers experienced a sustained interruption related to this storm. At its peak, the number of customer outages was 312,241 which occurred on Friday, March 2, 2018 at 3:00 p.m. The last Maryland electric customer impacted by Riley was restored at 10:30 p.m. on March 8, nearly a week after the initial impacts were felt. The Engineering Division issued its report to the Commission on May 23, 2018. Subsequently, the Commission docketed Case No. 9485 to further review Pepco and BGE's storm performance. Commission Order No. 88813 was issued August 31, 2018, directing Pepco and BGE corrective action plans be filed by October 15, 2018.

Members of the Engineering Division take an active role in public outreach, communicating with homeowners associations, community groups, and legislators on a variety of electric distribution and safety issues. In 2018, the Engineering Division investigated engineering-related customer complaints referred by the Commission's Consumer Affairs Division.

The Engineering Division also continues to stay abreast of trends in utility regulation such as smart grid, distributed generation, microgrids, energy efficiency, and demand response. The Engineering Division continues to advise the Commissioners through comments on technical issues as they arise, such as modifications to power plants, energy allocation applications, various compliance filings, or CPCN waivers associated with transmission line upgrades.

In addition to several smaller electric transmission projects involving CPCN waivers, the Engineering Division is currently involved in the Transource Maryland, LLC (Transource) CPCN project docketed as Case No. 9471.

Other Engineering Division activities in 2018 included the following: conducted 29 referee tests for accuracy of electric and gas meters, inspected 22 electric and gas meter shops, completed eight electric company operations and maintenance inspections, including two with municipalities; inspected 20 of 20 jurisdictional water and sewage companies, and investigated reports of 18 electrical accidents.

The Engineering Division also completed an investigation of an accident associated with an electrified guy wire in Delmarva's service territory in September 2017 that involved a fatality. Subsequently the Commission docketed Case No. 9493 in 2018 to review the matter further. Order No. 88989 was issued on January 11, 2019, and requires a follow-up report required from Delmarva within 90 days addressing several issues before the Commission decides upon further action.

The Engineering Division supported and provided testimony in Case No. 9478 related to the Electric Vehicle Workgroup, recommending through the workgroup that public charging stations owned by the utilities be considered as submeters while temporarily waiving certain submetering provisions of COMAR.

The Engineering Division led the Cyber-Security Reporting Workgroup (CSRWG) which published its final report on April 6, 2018. Subsequently, the Commission established Case No. 9492 for Cyber-Security Reporting of Maryland Utilities. Order No. 89015 was issued February 4, 2019. The Commission adopted the CSRWG recommendations except that it required the CSRWG be reconstituted to discuss any changes to the cyber-security requirements contained in Order No. 89015 if and when changes or additions are needed. The Information Technology System definition was changed from a limited definition system or network that contains personally identifiable customer information to hardware and software related to electronic processing, and storage, retrieval, transmittal and manipulation of data. The triennial reporting requirements start in the second half of 2019 and apply to utilities with over 30,000 customers. In addition, all Maryland utilities will be required to report cyber-security breaches.

As part of PC44, the Engineering Division has led the Interconnection Workgroup since March 2018. Phase I of the Interconnection Workgroup's efforts was completed with a final RM61 rulemaking session that was held on September 5, 2018.

Maryland House Bill 1491 signed by the Governor, May 8, 2018 required that "on or before January 15, 2019, the [Maryland Public Service] Commission shall report the findings of the study [to assess the feasibility of transitioning master meters installed and used for gas and electric to energy allocation systems or submeters in apartment buildings or complexes, condominiums, and housing cooperatives] to the General Assembly, in accordance with § 2–1246 of the State Government Article." To perform this study, in 2018 the Commission retained DNV GL Energy Insights, an expert consulting firm on submetering conversions.

In addition, the Engineering Division represented the Commission on the Prince George's County Public Utility Task Force to study electric utility location practices and procedures. This Task Force was primarily focused on substation health and environmental impacts related to new substation siting.

5. Staff Counsel Division (*Leslie Romine, Chief Staff Counsel*)

The Staff Counsel Division directs and coordinates the preparation and presentation of the Technical Staff's position in all matters pending before the Commission, under the supervision of the Executive Director. In performing its duties, the Staff Counsel Division identifies issues in public service company applications, and evaluates the applications for legal sufficiency and compliance with the Public Utilities Article of the *Annotated Code of Maryland*, the Code of Maryland Regulations, utility tariffs and other applicable law. In addition, the Staff Counsel may support Staff in initiating investigations or complaints. The Staff Counsel Division attorneys are the final reviewers of the Technical Staff's testimony, reports, proposed legislation analysis, and comments before submission to the Executive Director. Additionally, the attorneys draft and coordinate the promulgation and issuance of regulations, review and comment on items handled administratively, provide legal services to each division within the Office of Executive Director, and handle inquiries from utilities, legislators, regulators and consumers.

During 2018, Staff Counsel attorneys participated in a wide variety of matters involving all types of public service companies regulated by the Commission. The Staff Counsel Division's work included review of rates charged by public service companies, consideration of numerous requests for CPCNs, review of SOS matters, telecommunications proceedings, supplier issues, merger proceedings, taxi matters, and electric reliability matters. The Staff Counsel Division also was involved in a variety of efforts intended to address the EmPOWER Maryland Act of 2008, smart meter proceedings and the continued implementation of the Maryland RPS Program.

6. Telecommunications, Gas, and Water Division (*Juan Alvarado, Director*)

The Telecommunications, Gas, and Water Division assists the Commission in regulating the delivery of wholesale and retail telecommunications services, retail natural gas services, and water services in the state of Maryland. The Division's output generally constitutes recommendations to the Commission, but also includes publication of industry status reports, responses to inquiries from elected officials, media representatives, members of the public, and industry stakeholders. In addition, similar to other Technical Staff divisions, this Division assists the Commission's Consumer Affairs Division in the resolution of consumer complaints, on an as-needed basis, and leads or participates in industry work groups. The Division's analyses and recommendations to the Commission may appear as written comments, expert testimony in formal proceedings, special topical studies requested by the Commission, formal comments on filings submitted by the utilities or by other parties, comments on proposed legislation, proposed regulations and public presentations. In 2018, the Division reviewed 120 tariff filings, including rate revisions, new service offerings and related matters. Of those, 84 were telecommunications, and 36 were natural gas. The Division also presented testimony in 17 cases before the Commission. Staff participated in five base rate proceedings (four concerning natural gas and one concerning water), one case regarding a gas pre-paid pilot project, two cases concerning mergers between gas utilities, one case involving a payment dispute between two regulated telecommunications carriers, three cases on the STRIDE program, and five natural gas purchased gas adjustment charge proceedings.

In telecommunications, the Division reviews applications for authority to provide telephone services from local and intrastate toll service providers, reviews tariff filings from such providers, monitors the administration of telephone numbering resources for the State, is responsible for reviewing Federal Communications Commission compliance filings filed by carriers, administers the certification of all payphone providers in the state, and monitors the provision of low income services, E911 and telecommunications relay services. In 2018, the Commission authorized six new carriers and certified 18 payphone service providers and 622 payphones in Maryland. Staff also participated in a rule making before the Commission on access services.

In the natural gas industry, the Division focuses on retail natural gas competition policy and implementation of customer choice. The Division participates as a party in contested cases before the Commission to ensure that safe, reliable and economical gas service is provided throughout the State. Staff contributes to formal cases by providing testimony on rate of return, capital structure, rate design and cost of service. In addition, the Division provides recommendations on low-income consumer issues, consumer protections, consumer education, codes of conduct, mergers, and debt and equity issuances. The Division also conducts research and analysis on the procurement of natural gas for distribution to retail customers.

In the water industry, the Division focuses on retail prices and other retail issues arising in the provision of safe and economical water services in the State. The Division also participated in a Commission rule making to implement the provisions of Senate Bill 218, which streamlined rate making for water companies and was signed into law by Governor Hogan on May 4, 2017.

Finally, the Division provides assistance to other divisions, particularly in matters of statistical analysis and economic policy.

7. Transportation Division (*Christopher Koermer, Director*)

The Transportation Division enforces the laws and regulations of the Public Service Commission pertaining to the safety, rates, and service of transportation companies operating in intrastate commerce in Maryland. The Commission's jurisdiction extends to most intrastate for-hire passenger carriers by motor vehicle (total 1,142), intrastate for-hire railroads, as well as taxicabs in Baltimore City, Baltimore County, Cumberland, and Hagerstown (tota1 1,404). The Commission is also responsible for licensing drivers (total 6,006) of taxicabs in Baltimore City, Cumberland, and Hagerstown, and other passenger-for-hire vehicles that carry 15 or fewer passengers (not including transportation network operators). The Commission is also responsible for regulating Transportation Network Operators (TNOs) that provide transportation network services (total 186,511). The Transportation Division monitors the safety of vehicles operated (total 4,727 non-TNO vehicles and 209,584 TNO vehicles), limits of liability insurance, schedules of operation, rates, and service provided for all regulated carriers, except railroads (only entry, exit, service and rates are regulated for railroads that provide intrastate service). If problems arise in any of these areas which cannot be resolved at the staff level, the Division requests the institution of proceedings by the Commission which may result in the suspension or revocation of operating authority or permits, or the institution of civil penalties.

During 2018, the Transportation Division continued its involvement with Case No. 9425, *In the Matter of the Petitions of Rasier, LLC and Lyft, Inc. for Waiver of Public Utilities Article Section 10-104(b)* by reviewing the request of UZURV Holdings, Inc. for a waiver, pursuant to Public Utilities Article §10-404(e), of the requirement to conduct fingerprint-based background checks of its for-hire drivers. The Commission granted UZURV's request for a waiver of the fingerprint-based background check required by PUA § 10-104(b) and approved an alternative background check process for UZURV to be used in lieu of the PUA § 10-104(b) fingerprint-based background check at the October 24, 2018 Administrative Meeting. Additionally, UZURV is directed to comply with all the requirements imposed by the Commission in Order No. 87957 in granting a similar waiver to Lyft, Inc. and Rasier, LLC, and with the company's responses to Staff data requests contained in Staff's comments T-6387, dated October 9, 2018.

Also, during 2018, the Commission reviewed the request from Charles County Government that the Commission regulate Charles County taxicabs. The Commission granted Charles County's request at the Administrative Meeting held on March 22, 2018. As a result of the Commission's approval, the Transportation Division was heavily involved in approving two Charles County taxicab associations to operate in Charles County. The Commission approved Minhas Transportation, Inc. t/a Waldorf Yellow Cab's request to operate a Charles County taxicab association at the Administrative Meeting held on October 10, 2018. The Commission approved Mahato Mart, LLC t/a Silver Cab's request to operate a Charles County taxicab association at the Administrative Meeting held on October 31, 2018.

During 2018, Senate Bill 97 – Public Utilities - Transportation Network Services – Disclosure of Records was introduced and enacted into law on October 1, 2018. SB 97 authorizes the Maryland PSC to disclose specified records or information related to transportation network operators (TNOs, e.g., Uber drivers) if the disclosure is made in accordance with specified provisions of the Family Law Article related to child support enforcement. As a result of the passage of this bill, PUA §10–404(h)(2) was amended to include disclosure of licensed transportation network operators (TNO) to the Child Support Administration of the Maryland Department of Human Services effective October 1, 2018. On October 2, 2018, the Transportation Division provided the quarterly list of licensed for-hire drivers (including licensed TNO drivers) to CSA. In January 2019, the Transportation Division received 130 notices from CSA requesting to suspend TNO licenses of licensees who are delinquent in their child support payments and sent 108 letters to licensed TNO drivers informing them of the pending suspension of their TNO license.

The Transportation Division enforced the regulations that became effective as a result of Rule Making 58, *Revisions to COMAR 20.90 – Taxicabs,* and Rule Making 60, *Revisions to COMAR 20.90 and COMAR 20.95 – Screening Standards.* Rule Making 60 is most notable for collectively working with stakeholders to produce a new set of driver screening standards that were acceptable to staff and stakeholders to be used to screen for-hire drivers. The new regulation for driver screening standards includes screening standards for both criminal history and driving record history, are expected to remove barriers to entry for certain applicants, as well as simplify the screening of individuals with backgrounds in other jurisdictions.

During 2018, the Transportation Division continued to conduct vehicle inspections and report results via on-site recording of inspection data and electronic transmission of that information to the Commission's databases and to the Federal Motor Carrier Safety Administration's Safety and Fitness Electronic Records (SAFER) System.

SAFER provides carrier safety data and related services to the industry and the public via the Internet.

Additionally, the Division maintained its regular enforcement in 2018 by utilizing field investigations and joint enforcement projects with local law enforcement officials, Maryland Motor Vehicle Administration investigators, and regulators in other jurisdictions.

Administratively, the Division continued to develop, with the Commission's Information Technology staff, projects designed to streamline processes through automation, electronic filings by the industry, and better intra-agency communication among the Commission's internal databases, such as fine-tuning an electronic TNO application process and an investigators database.

D. Public Utility Law Judge Division (*Ryan C. "Chuck" McLean, Chief Public Utility Law Judge*)

As required by the Public Utilities Article, the Division is a separate organizational unit reporting directly to the Commission and is comprised of four attorney Public Utility Law Judges, including the Chief Public Utility Law Judge. Typically, the Commission delegates to the Division proceedings pertaining to the following: applications for construction of power plants and high-voltage transmission lines; rates and other matters for gas, electric, and telephone companies; purchased gas and electric fuel rate adjustments reviews; bus, passenger common carrier, water, and sewage disposal company proceedings; plant and equipment depreciation proceedings; and consumer complaints, as well as other complaints not resolved at the administrative level. In addition, the Commission has a part-time License Hearing Officer, who hears matters pertaining to certain taxicab permit holders and matters regarding Baltimore City, Cumberland, and Hagerstown taxicab drivers, as well as passenger-for-hire drivers, including Transportation Network Operators. While most of the Division's activity concerns delegated cases from the Commission, the Commission also may conduct its proceedings in three-member panels, which may include one Public Utility Law Judge. As a panel member, a Public Utility Law Judge participates as a voting member in the hearings and in the panel's final decision. The decision of a three-member panel constitutes the final order of the Commission.

In delegated cases, the Public Utility Law Judges and Hearing Officer conduct formal proceedings in the matters referred to the Division and file proposed orders, which contain findings of fact and conclusions of law. During 2018, the Commission delegated 138 cases to the Division: 30 non-transportation-related matters, and 108 transportation matters of which 57 were taxicab-related, 48 were for-hire related, and three were transportation network operator-related. These transportation matters include license applications and disciplinary proceedings involving requests for imposition of fines or civil penalties against carriers for violations of applicable statutes or regulations.

The Division held 139 hearings and issued 112 proposed orders. Unless an appeal is noted with the Commission, or the Commission takes action on its own motion, a proposed order becomes the final order of the Commission after the specified time period for appeal as noted in the proposed order, which may be no less than seven days and no more than 30 days. There were 11 appeals/requests for reconsideration filed with the Commission resulting from the proposed orders: four related to non-transportation matters, four to for-hire matters, and three to taxicab matters. The Commission issued two orders reversing a proposed order: one for-hire matter, and one taxicab matter. The

Commission also remanded one matter related to a non-transportation matter. In June 2018, Ryan C. “Chuck” McLean was appointed Chief Public Utility Law Judge, replacing Terry J. Romine, who was named the Commission’s Executive Secretary.

XII. RECEIPTS AND DISBURSEMENTS FY 2018

Receipts and Disbursements

C90G001 – General Administration and Hearings

Salaries and Wages	$	7,076,951
Public Utility Regulation Fund	$7,076,951	
Technical and Special Fees	$	176,644
Public Utility Regulation Fund	$176,644	
Operating Expenses	$	9,793,185
Public Utility Regulation Fund	$2,236,590	
Customer Investment Fund	$7,556,595	
Total Disbursements for Fiscal Year 2018	$	17,046,780
Public Utility Regulation Fund	$ 9,490,185	
Customer Investment Fund	$7,556,595	
Reverted Appropriation	$	1,547,306
Public Utility Regulation Fund	$1,547,306	
Customer Investment Fund	$0	
Total Appropriation for Fiscal Year 2018	$	18,594,086
Public Utility Regulation Fund	$11,037,491	
Customer Investment Fund	$7,556,595	

C90G002 – Telecommunications, Gas and Water Division

Salaries and Wages	$	491,627
Operating Expenses	$	6,568
Total Disbursements for Fiscal Year 2018	$	498,195
Reverted Appropriation	$	28,779
Total Appropriation for Fiscal Year 2018	$	526,974

C90G003 – Engineering Division

Salaries and Wages	$	1,914,886
Public Utility Regulation Fund	$1,332,572	
Federal Fund	$582,314	
Operating Expenses	$	148,814
Public Utility Regulation Fund	$28,373	
Federal Fund	$120,441	
Total Disbursements for Fiscal Year 2018	$	2,063,700
Public Utility Regulation Fund	$1,360,945	
Federal Fund	$702,755	
Reverted Appropriation	$	84,541
Public Utility Regulation Fund	$85,541	
Federal Fund	$0	
Total Appropriation for Fiscal Year 2018	$	2,148,241
Public Utility Regulation Fund	$1,445,486	
Federal Fund	$702,755	

C90G004 – Accounting Investigations Division

Salaries and Wages	$	718,511
Operating Expenses	$	7,897
Total Disbursements for Fiscal Year 2018	$	726,408
Reverted Appropriation	$	14,926
Total Appropriation for Fiscal Year 2018	$	741,334

C90G005 – Common Carrier Investigations Division

Salaries and Wages	$	1,348,492
Public Utility Regulation Fund	$1,247,097	
For-Hire Driving Services Enforcement Fund	$101,395	
Technical and Special Fees	$	308,564
Public Utility Regulation Fund	$162,298	
For-Hire Driving Services Enforcement Fund	$146,266	
Operating Expenses	$	51,795
Public Utility Regulation Fund	$39,488	
For-Hire Driving Services Enforcement Fund	$12,307	
Total Disbursements for Fiscal Year 2018	$	1,708,851
Public Utility Regulation Fund	$1,448,883	
For-Hire Driving Services Enforcement Fund	$259,968	
Reverted Appropriation	$	131,543
Public Utility Regulation Fund	$131,543	
For-Hire Driving Services Enforcement Fund	$0	
Total Appropriation for Fiscal Year 2018	$	1,840,394
Public Utility Regulation Fund	$1,580,426	
For-Hire Driving Services Enforcement Fund	$259,968	

C90G006 – Washington Metropolitan Area Transit Commission

Operating Expenses	$	326,170
Total Disbursements for Fiscal Year 2018	$	326,170
Reverted Appropriation	$	3,947
Total Appropriation for Fiscal Year 2018	$	330,117

C90G007 – Electricity Division

Salaries and Wages	$	451,020
Operating Expenses	$	4,743
Total Disbursements for Fiscal Year 2018	$	455,763
Reverted Appropriation	$	82,857
Total Appropriation for Fiscal Year 2018	$	538,620

C90G008 – Public Utility Law Judge Division

Salaries and Wages	$	807,688
Public Utility Regulation Fund	$725,222	
For-Hire Driving Services Enforcement Fund	$82,466	
Technical and Special Fees	$	0
Public Utility Regulation Fund	$0	
For-Hire Driving Services Enforcement Fund	$0	
Operating Expenses	$	7,939
Public Utility Regulation Fund	$7,939	
For-Hire Driving Services Enforcement Fund	$0	
Total Disbursements for Fiscal Year 2018	$	815,627
Public Utility Regulation Fund	$733,161	
For-Hire Driving Services Enforcement Fund	$82,466	
Reverted Appropriation	$	110,153
Public Utility Regulation Fund	$110,153	
For-Hire Driving Services Enforcement Fund	$0	
Total Appropriation for Fiscal Year 2018	$	925,780
Public Utility Regulation Fund	$843,314	
For-Hire Driving Services Enforcement Fund	$82,466	

C90G009 – Staff Counsel Division

Salaries and Wages	$	992,118
Operating Expenses	$	9,342
Total Disbursements for Fiscal Year 2018	$	1,001,460
Reverted Appropriation	$	80,787
Total Appropriation for Fiscal Year 2018	$	1,082,247

C90G0010 – Energy Analysis and Planning Division

Salaries and Wages	$	674,777
Operating Expenses	$	4,596
Total Disbursements for Fiscal Year 2018	$	679,373
Reverted Appropriation	$	62,046
Total Appropriation for Fiscal Year 2018	$	741,419

Summary of Public Service Commission
Fiscal Year Ended June 30, 2018:

Salaries and Wages	$	14,476,070
Public Utility Regulation Fund	$13,709,895	
Federal Fund	$582,314	
For-Hire Driving Services Enforcement Fund	$183,861	
Technical and Special Fees	$	485,208
Public Utility Regulation Fund	$338,942	
Federal Fund	$0	
For-Hire Driving Services Enforcement Fund	$146,266	
Operating Expenses	$	10,361,049
Public Utility Regulation Fund	$2,671,706	
Federal Fund	$120,441	
For-Hire Driving Services Enforcement Fund	$12,307	
Customer Investment Fund	$7,556,595	
Total Disbursements for Fiscal Year 2018	$	25,322,327
Public Utility Regulation Fund	$16,720,543	
Federal Fund	$702,755	
For-Hire Driving Services Enforcement Fund	$342,434	
Customer Investment Fund	$7,556,595	
Reverted Appropriation	$	2,146,885
Public Utility Regulation Fund	$2,146,885	
Federal Fund	$0	
For-Hire Driving Services Enforcement Fund	$0	
Customer Investment Fund	$0	
Total Appropriations	$	27,469,212
Public Utility Regulation Fund	$18,867,428	
Federal Fund	$702,755	
For-Hire Driving Services Enforcement Fund	$342,434	
Customer Investment Fund	$7,556,595	

Assessments collected during Fiscal Year 2018:	$	20,693,626

Other Fees and Revenues collected during Fiscal Year 2018:

1) Fines & Citations General Fund	$	84,548
2) Fines & Citations Special Fund	$	250
3) For-Hire Driving Services Permit Fees	$	387,455
4) Meter Test	$	430
5) Filing Fees	$	201,125
6) Copies	$	317
7) Miscellaneous Fees	$	3,714
Total Other Fees and Revenues	$	677,839

Interest Earned on Customer Investment Fund balance	$	7,189
Interest Earned on Offshore Wind Energy Fund balance	$	19,445

Assessments collected that were remitted to other State Agencies during Fiscal Year 2018 From the Public Utility Regulation Fund:

1) Office of People's Counsel	$	3,853,549
2) Railroad Safety Program	$	269,979

Monies collected that were remitted to other State Agencies during Fiscal Year 2018 From the Customer Investment Fund:

Maryland Energy Administration	$	304,295

Monies collected that were remitted to other State Agencies during Fiscal Year 2018 From the Customer Investment Fund:

1) Dept. of Housing and Community Development	$	3,666,205