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**Maryland Public Service Commission Approves Modified Settlement in Southern Maryland Water Companies Rate Case**

*Customers should be aware of changes to rates, billing, and customer assistance*

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(BALTIMORE, MD) - The Maryland Public Service Commission has modified a settlement agreement in the rate case involving nine small water utilities in southern Maryland that provide water service to approximately 640 customers in Calvert and Charles counties.

In addition to a rate increase, customers should be aware of changes that will result in monthly, rather than the current quarterly, billing. For the next three years, monthly bills will also include an environmental surcharge of \$13.89 to recover costs of complying with the U.S. Environmental Protection Agency's Lead and Copper Rule Revisions. The imposition of the surcharge will be revisited at the end of year three after which point the water companies' EPA-related environmental expenditures will be evaluated for appropriateness and true-up to actual costs.

Including the environmental surcharge, and depending on which system provides the customer's water service, bills will increase in a range from \$49-\$81 a month in the first year, plus an additional \$2.50-\$19 a month in the second year.

For customers who may have difficulty paying their bill, the nine water utilities will offer payment arrangements, to spread out payment of the amount due over time.

In July 2024, a settlement agreement was reached among the owner Edward Crooks, the Maryland Office of People's Counsel (the state's ratepayer advocate) and the Commission's Technical Staff, to increase rates more than \$425,000, phased in over two years. Rates for these companies, all under the ownership of Mr. Crooks, have not changed for at least the last 20 years and, in most cases, 30 years have passed since the last rate adjustment. Mr. Crooks cited that the companies have been operating at a significant loss for more than 10 years.

In January of this year, the Public Utility Law Judge who heard the case rejected the settlement's two-year phase-in, instead proposing a four-year phase-in to increase

the rates more gradually. The water companies appealed the decision to the Commission.

In a hearing on April 10, 2025, the Commission heard directly from Mr. Crooks, Staff and OPC regarding: the potential impacts of the proposed rate increases on the water companies' ratepayers, and alternatives for spreading the significant increases over a longer period of time; methods for providing sufficient notice to customers in the event of significant rate increases; and the effects on customers of the change from quarterly billing to monthly billing and on the water companies' financial viability. In response, the water companies, along with Staff and OPC, proposed additional customer protections, including making payment plans available for customers facing hardships due to the significant increases.

The Commission's order today reinstates the settlement's original two-year phased approach, both for legal concerns and since this will allow the companies to at least cover expenses necessary to operate the systems in a safe and reliable manner. Through the settlement, Mr. Crooks has agreed to forgo approximately \$100,000 of the authorized revenue requirement for the first year, which begins May 1, 2025.

The utilities involved include:

- Calvert Beach Water Company, Inc.
- Pine Hill Water Company, Inc.
- Pomonkey Water Company, Inc.
- Pomunk Utilities, Inc.
- Red Hill Water Company, Inc.
- Tip Hill Water Company
- Utilco
- Western Shores Water Company
- White Plains Water Company, Inc.

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**About the Public Service Commission:**

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

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