

March 12, 2026

Baltimore City Council Committee of the Whole
100 Holliday Street
Baltimore, Maryland 21202

Dear President Cohen and the Honorable Members of the Baltimore City Council,

Below you will find written testimony in response to LO26-0043 – Baltimore Gas and Electric Company (BGE) Gas Safety and Affordability. We recognize the important role the Baltimore City Council plays in representing our customers, and while BGE is a private company regulated by the Maryland Public Service Commission, we remain committed to providing clear, accurate information and meaningful solutions to the issues raised by Baltimore residents.

We view this hearing as a continuation of the extensive hearings and briefings we participated in last year. Over the past year, our team has devoted significant time and resources to supporting this legislative body and responding to its inquiries. This written testimony supplements the detailed information previously provided. The information below outlines the cold weather's impact on affordability, our commitment to safety and fact-based dialogue, and the critical role that contractors play in BGE's ability to safely and reliably serve our 1.3 million electric and 700,000 gas customers.

Cold Weather Impact on Affordability

Maryland is nearing the end of one of the coldest winters in recent history. During sustained extreme temperatures, BGE provided safe and reliable service as a result of years of proactive investment in maintaining and modernizing energy infrastructure throughout central Maryland.

In terms of same-month comparison over the last decade, this winter had the coldest December, second-coldest January, and coldest February, according to Heating Degree Day (HDD)¹ data—a key indicator of heating demand. During these historically frigid three months, BGE customers across central Maryland used significantly more energy. For example:

¹ As defined by the National Weather Service: [Degree days](#) are based on the assumption that when the outside temperature is 65°F, we don't need heating or cooling to be comfortable. Degree days are the difference between the daily temperature mean, (high temperature plus low temperature divided by two) and 65°F. If the temperature mean is below 65°F, we subtract the mean from 65 and the result is Heating Degree Days.

- The average residential gas heating customer² used 13% more gas this December compared to December 2024.
- The average residential electric heating customer used 8% more electricity this December compared to December 2024.
- The average residential gas heating customer used 8% more gas this February compared to last February.
- The average residential electric heating customer used 10% more electricity this February compared to last February.

Importantly, **electric heating customers on average experienced a higher percentage year-over-year bill increase** in the months listed above. In terms of dollars, their bill increase on average was higher than gas heating customers in December and only 15 cents lower than the increase gas heating customers experienced on average in February.

These numbers are a clear indicator that energy costs are driven by more than one single variable.

Gas usage was the story in late January, when Baltimore saw the most significant cold stretch in over 15 years with several days of sub-freezing temperatures. Our gas system delivered to customers the energy equivalent of the highest ever demand on our electric system—nearly *every hour* for a week-long period.

When cold temperatures persist, heating systems must work harder, even if thermostat settings remain unchanged. This dynamic can increase overall energy use for both gas heating and electric heating customers. Customers with gas heat may also see impacts on their electric bills due to the electrical components that support HVAC systems and circulate warm air. Winter is typically when gas heating customers use far more gas than any other time during the year, and their proportionately high usage is reflected in energy bills.

The combination of record-level cold temperatures in December, January, and February and the stretch of extreme cold helps explain higher winter energy use and the resulting impacts on customer bills. This underscores the importance of continued customer education on bill drivers, energy management tools, along with making sure customers know about and can easily access energy assistance and support programs designed to help during difficult months.

The Need for a Complete and Accurate Conversation

The stated purpose for this Legislative Oversight hearing is to discuss BGE's business practices related to gas, high gas bills, and gas pipeline inspections. Although the focus of this hearing seems to be on gas delivery charges, overall bill impacts are influenced by **multiple entities and regulatory drivers**. To

² Gas heating customers with electric lights (R+DH).

provide residents with a complete and accurate understanding of affordability, and the levers that actually affect it, we recommended expanding the list of participating stakeholders.

These include:

- 1. Maryland Public Service Commission (PSC)**
- 2. Pipeline and Hazardous Materials Safety Administration (PHMSA)**
- 3. American Gas Association (AGA)**
- 4. PJM Interconnection**
- 5. Gas generation and supply entities**

The Council President's office solicited recommendations for additional participants, and we provided them promptly and in good faith. Without these organizations, any public discussion of energy costs will provide an incomplete narrative that obscures rather than clarifies the forces shaping customer bills.

Baltimore residents deserve more than a narrow conversation on this multifaceted issue; they deserve transparency, accuracy, and practical paths forward.

Fostering a Productive and Fact-Based Dialogue

BGE stands ready to participate in any public forum designed to inform residents and advance real, workable solutions to energy affordability challenges. We remain willing to answer relevant questions in writing and to join any good-faith discussion that includes the entities responsible for energy regulation, operation, and advocacy. In addition, we would hope the discussion includes immediate actions Baltimore City could take to streamline city processes to help lower utility costs for customers.

Hearings that focus on scapegoating a single participant in a complex system may generate headlines, but they do nothing of substance to address energy affordability. Instead, this political theater misleads our customers about the sources of energy policy, regulatory authority, and cost drivers on their bill, while doing nothing to lower bills or improve affordability. Only a complete, fact-based conversation can do that, and we remain committed to supporting it.

BGE's Commitment to Safety

Safety is, and always has been, BGE's highest priority. Our foremost responsibility is ensuring that the electric and gas infrastructure serving our customers, including Baltimore residents, is maintained and operated to the highest standards. We are proud that BGE consistently meets and exceeds industry best practices for operational integrity and public safety.

Nearly all of BGE's gas system investments focus on regulatory compliance and public safety. Of course, regulatory compliance in itself is an extension of safety, as many of those regulations exist to prevent

safety incidents and keep customers, the public, and employees safe. Many of these regulations focus on integrity management, which require utilities like BGE to identify their risks and threats and develop mitigations to those risks.

BGE regularly evaluates and updates its integrity management plans, and these plans are reviewed by the Maryland Public Service Commission's Engineering Division. The Commission's Engineering Division's inspections must utilize a Pipeline and Hazardous Materials Safety Administration (PHMSA)³-defined process and inspection forms and demonstrate an appropriate level of oversight. PHMSA, in turn, reviews these inspections as part of its own evaluation of the Commission's compliance. These integrity management plans drive many of the programs and work BGE invests in—the customer benefits that come with compliance to these programs are obvious—a safer and more reliable gas system. In fact, these investments have reduced the number of underground leaks on BGE's pipelines by half since the passage of the STRIDE Act in 2013.

A safer system at a lower cost for customers

By proactively replacing the riskiest, worst-performing gas pipes on our system, our customers are benefitting from safer, more reliable service and **paying less through their bills** compared to the cost of abandoning this critical work:

- Proactive replacement under STRIDE costs the average residential customer roughly \$10–\$12 per month.
- If instead leaks had been repeatedly repaired over the previous decade (i.e., no proactive replacement), **costs could have risen to an estimated \$20 per month or more on the average residential customer bill.**

Emergency repairs are more expensive, more disruptive, and less effective at reducing future risk. Proactive replacement of aging pipes, on the other hand, continues to increase system safety and performance. **Underground leaks have decreased 45%** over the last decade+ largely as a result of our proactive work to replace cast iron and bare steel main. In addition, the resulting reduction in annual operational GHG emissions from the gas distribution system is vital to helping the state of Maryland achieve its ambitious climate goals under the Climate Solutions Now Act.

We've made outstanding progress for our customers and communities, but we still have work to do. BGE's natural gas distribution system has roughly 800 miles of aging cast iron and bare steel main. This infrastructure is at least 60 years old; more than half is over 100 years old. Roughly 80% of this outmoded infrastructure is located in Baltimore City. On a city block (roughly 500 feet long), a customer is likely to experience a gas leak on their street once every 3-4 years if the infrastructure is aged (cast iron with bare steel services), but never in their lifetime if the infrastructure is new (plastic).

³ PHMSA is the federal agency that advances the safe transportation of energy and other hazardous materials by establishing national policy, setting and enforcing standards, educating, and conducting research.

Outmoded infrastructure represents 11% of BGE’s entire gas distribution system, but accounts for two-thirds of gas system leaks. This is a reminder that BGE is **not** engaged in “wholesale replacement” of the gas system; we are targeting the worst-performing assets. Unfortunately, the rate of leaks from cast iron gas mains continues to increase, effectively doubling since 2011. The imperative for replacing this aging infrastructure is even greater now than in 2013 when STRIDE was first passed.

Calls to reduce the pace of replacement of this infrastructure are misinformed, misleading, and irresponsible – especially from a safety perspective. Above all, upgrading the system is the right thing to do for our customers, now and into the future.

Enhancements to BGE’s Inspection and Oversight Processes

BGE has taken significant proactive steps to strengthen inspection processes, enhance oversight, and reinforce accountability. These include:

More Frequent Reviews

- **Bi-weekly reviews** of inspection report data conducted jointly by inspectors and supervisors to ensure consistency and compliance.
- **Weekly supervisory reviews** of Stop Work and Unsatisfactory (UnSat) responses to ensure timely follow-up and corrective action.
- **Monthly field audits** conducted by supervisors at job sites to identify and document deficiencies requiring attention.
- **Weekly contractor audits** of inspection tracking tools to confirm task completion and address outstanding issues.
- **Strengthened Documentation Expectations**

Gas leadership has reinforced expectations that inspectors thoroughly document all observations for every audit performed, improving transparency and traceability.

The important role of contractors

Contractors provide scalability, cost-effectiveness, and expertise that complements our internal workforce.

BGE requires all contractors performing work on our gas system to hold specialized operator qualification certifications. Our oversight model includes multiple layers of verification, detailed documentation, and random inspections to hold contractors accountable. This framework reflects our unwavering commitment to safety, transparency, and public trust.

Commitment to safety and serving our customers

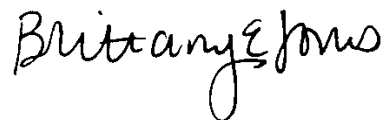
Our customers deserve safe and reliable gas and electric service. We continuously monitor, maintain, and upgrade our energy delivery systems to meet the needs of our customers, now and into the future.

Our commitment to the residents of Baltimore, and to all our customers, is clear:

- **Safety will always be our top priority.**
- **We will continue to strengthen oversight and operational excellence.**
- **We will remain transparent and collaborative in addressing affordability challenges.**

We look forward to continuing our partnership with the City Council, regulatory partners, and community stakeholders to ensure a safe, reliable, and affordable energy system for all Baltimore residents.

Respectfully submitted,



Brittany Jones
Vice President, Governmental & External Affairs
110 W. Fayette Street
Baltimore, MD 21201