

**PUBLIC SERVICE COMMISSION
OF MARYLAND**

C90G00

**RESPONSE TO
ANALYSIS OF THE FY 2019 MARYLAND
EXECUTIVE BUDGET, 2018**

Introduction

Good afternoon.

The Commission thanks Ms. Zimmerman for the excellent analysis that she prepared and concurs with her Recommended Action. As the subcommittee can see from the analysis, the PSC continues to be extremely busy addressing the filings by the public service companies and other interested parties. The matters before the PSC during 2017 ranged from simple routine matters to more complex cases, such as the current AltaGas Ltd. And WGL Holdings, Inc. Merger Application, the Pepco Rate Case Proceeding (Case No. 9443) and the US Wind, Inc. and Skipjack Offshore Energy, LLC Wind Applications (Case No. 9431) that resulted in approving ORECs for both applications with a number of Commission imposed conditions.

Like many other State agencies, the PSC continues to meet the challenges of an increasing work load and limited resources. The Commission is very proud of its track record of meeting those challenges as evidenced by its continued high performance in exceeding its Managing for Results goals. The PSC is recognized as a leader in applying regulatory oversight over new technologies/applications, as well as ensuring that the rates of Maryland Utilities' customers are just and reasonable. In fact, this Commission recently opened Case No. 9473 requesting Maryland Utilities to explain the expected impacts of the Federal Tax Cuts and Jobs Act of 2017 ("TCJA") on their expenses and revenues and how they expect to pass through those effects to their customers. The Commission has already approved filed rate reductions for BGE and Washington Gas customers effective February 1, 2018 as a result of the TCJA.

In addition, the PSC continues to play a visible and active role in proceedings before the Federal Energy Regulatory Commission to ensure that the PJM Interconnection procedures are reasonable and just, and do not have an unintended consequence of increasing the price of electricity supply for our retail customers or reducing the reliability or capacity of electricity supply in Maryland.

Unless you have any initial questions, I will address the specific comment identified in Ms. Zimmerman's Budget Analysis:

Issues:

1. Offshore Wind Funding Requirements.

The PSC should comment on if it expects to require any of the remaining unspent Offshore Wind Funds before the funds must be returned to the Offshore Wind Development Fund/SEIF.

Response:

At this time, it is difficult to say whether the Commission will be spending any remaining unspent Offshore Wind Funds, considering that other Offshore Wind Applications could still potentially be filed for review by the Commission. As mentioned earlier, the Commission has already approved two Offshore Wind projects. During the FY19 budget preparation, the Commission could not specifically identify a future offshore wind project requiring a specific appropriation and felt it prudent to proceed in that manner. However, if another Offshore Wind application is submitted prior to the close of FY19, the Commission may require the use of some portion of the unspent funds before returning such funds to the Offshore Wind Development Fund/SEIF.

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I will be happy to respond to any other questions that you may have. Otherwise, I thank you for your time and attention.