BALTIMORE GAS AND ELECTRIC COMPANY'S
REQUEST FOR PROPOSALS FOR
LEGAL AND GAS PIPELINE CONSTRUCTION SAFETY
CONSULTANT SERVICES
TO MARYLAND PUBLIC SERVICE COMMISSION
SCOPE OF WORK

On May 8, 2025, the Maryland Public Service Commission (the "Commission") issued Order No. 91643 initiating Case No. 9791 (the "Order"), and delegating Case No. 9791 to the incoming Chief Public Utility Law Judge ("Judge Lawrence") for investigation and issuance of a fact-finding report and recommendations regarding Baltimore Gas and Electric Company's ("BGE") gas system safety inspection program.[1]

On May 21, 2025, Judge Lawrence issued a Notice of Procedural Schedule (the "Notice") directing BGE to prepare a Request for Proposals ("RFP") for a consultant to support the Commission's Technical Staff ("Staff") in its investigation of BGE's gas system safety inspection procedures and protocols. Accordingly, BGE hereby issues this request for proposals seeking 1) legal services, and 2) an expert in gas pipeline construction safety, to assist Staff in investigating BGE's construction and safety inspection policies and processes and BGE's adherence to local, state, and federal law and regulations related to construction review and inspection oversight of natural gas infrastructure projects. Offerors may submit a proposal for either legal services or gas pipeline construction safety consulting services, or both, though Staff's preference is one proposal for both types of services.

All parties interested in submitting proposals to provide the requested services (each an "Offeror") must do so no later than 5:00 P.M. on July 15, 2025. Proposals are to be priced on an expected hours and hourly rate basis with a "not-to-exceed" firm fixed price to complete each of the requested services (legal services and/or an expert in gas pipeline construction safety) included in the Offeror's proposal, along with a total "not-to-exceed" amount for all proposed services combined. Each Offeror shall submit its proposal in the manner instructed herein. The Commission will review the proposals and select the winning proposal(s). Upon selection of the winning Offeror(s) (the "Successful Offeror(s)"), the Commission will notify the Successful Offeror(s) and BGE will notify all other Offerors of the results. The Successful Offeror(s) will be required to execute a contract with BGE, comprised of this RFP and the attached Standard Terms and Conditions for Legal and Gas Pipeline Construction Safety Consultant Services, and the Successful Offeror(s)'s Proposal(s).

[1] All public filings associated with Case No. 9791, Investigation into Gas System Inspection Issues Raised Regarding Baltimore Gas and Electric Company, may be accessed on the Commission's web site at psc.state.md.us. Click on the yellow link under "Case/Maillog Portal" on the left side of the home page, then select "Case/Docket No." and insert "9791" into the search box to be taken to the filings. To access filings by Maillog number, as referenced in Order No. 91643 and other filings in Case No. 9791, choose "Mailog Search" from the red ribbon at the top of the search page and enter the Maillog number to be taken to the filing.

The scope of work by the Successful Offeror(s) includes, but may not be limited to, providing Staff with advice and assistance, and performing the following services:

SCOPE OF WORK – Legal and Gas Pipeline Construction Safety Consultant Services

With regard to legal services, the Successful Offeror shall assist Staff in:

(1) Requesting, receiving, reviewing, and analyzing BGE's gas construction and safety inspection policies and processes, including, but not limited to, any and all documentation and policy statements relating to BGE's adherence to local, state, and federal laws and regulations related to the construction review and inspection oversight of natural gas infrastructure projects;
(2) Reviewing and analyzing BGE's responses to the information requested in the Notice in Case No. 9791;
(3) Preparing additional requests for information in Case No. 9791 regarding BGE's adherence to its inspection policies and procedures and operating protocols for gas construction and inspection activities to ensure system safety, reliability and compliance with local, state, and federal law and regulations;
(4) Conducting meetings with, and/or depositions of, BGE personnel—if deemed appropriate by the Successful Offeror(s) or Staff—regarding BGE's adherence to its inspection procedures and operating protocols for gas construction activities to ensure system safety, reliability and compliance with local, state, and federal law and regulations;
(5) Providing status reports to Staff or Judge Lawrence as requested throughout the duration of the engagement; and
(6) Any other services Staff deems reasonably necessary in determining (a) BGE's inspection procedures and operating protocols for gas construction activities to ensure system safety and (b) BGE's adherence to such inspection procedures and operating protocols.

With regard to consulting services related to gas pipeline construction safety, the Successful Offeror shall assist Staff by:

(1) Reviewing and analyzing BGE's responses to the information requested in the Notice in Case No. 9791 and/or produced in response to other permissible requests for information and/or documents in Case No. 9791;
(2) Reviewing transcripts and/or notes of meetings with, and/or depositions of, BGE personnel and/or any other witness(es) that occur in Case No. 9791, if any;
(3) Requesting any records and documentation necessary to identify and review BGE's inspection procedures and operating protocols for gas construction activities to ensure system safety, reliability and compliance with local, state, and federal law and regulations;
(4) Providing status reports to Staff or Judge Lawrence as requested throughout the duration of the engagement; and
(5) Any other services necessary to fully understand (a) BGE's inspection procedures and operating protocols for gas construction activities to ensure system safety and (b) BGE's adherence to such inspection procedures and operating protocols.

Additional Information

1. The Case No. 9791 service list is included as a guide to identify the parties who participated in the development of this RFP.
2. Copies of the Commission's May 8, 2025 Order No. 91643 and Judge Lawrence's May 21, 2025 Notice of Procedural Schedule issued in Case No. 9791 are attached.
3. The Successful Offeror will submit its invoice(s) to the Commission Staff's Point of Contact, with a copy to the BGE Point of Contact (defined below). The Commission is not responsible for any payments to the Successful Offeror(s), which will be made by BGE. Payment will be made on a time and materials basis, up to a "not-to-exceed" firm fixed price. Monthly invoices will include a breakdown of labor costs, travel and lodging expenses (meals limited to State of Maryland per diems and guidelines), and expenses incurred for copying and mailing. Expenses shall be broken down by task as defined in the Scope of Work.

Proposal Requirements

Please submit an electronic version via e-mail of the following information with your proposal:

1. Summary statement of your qualifications and experience (the firm's and its proposed staff members) with the scope of work described herein, and a list of jurisdictions in which staff members are licensed. Proposals should provide an overview of the Offeror's experience providing each of the services on which the Offeror is submitting a proposal (1 - legal services and/or 2 - gas pipeline construction safety expert services), as described herein, including:
    a. A general summary of similar services to those required under this RFP previously rendered;
    b. The number of years the Offeror has provided these services;
    c. The number of clients and geographic locations currently served;
    d. A reasonable number of specific references who are capable of documenting the Offeror's ability to render the services described herein, and the quality and breadth of the Offeror's services; and
    e. An Offeror shall highlight any specific projects or other work experience specific to Maryland.
2. An Offeror must identify any relationship with any Maryland investor-owned utility (or any of their affiliates or subsidiaries), advocate or organization (or any of their affiliates or subsidiaries) within the last ten (10) years and provide a list of the relationship(s). *Please note that such relationship(s) do NOT disqualify an Offeror from consideration.*
3. The Offeror shall provide a detailed discussion of its service capabilities and approaches to address the requirements outlined in this RFP. Offerors should fully explain how the proposed services will satisfy the requirements of the RFP and indicate all significant capabilities or issues that should be considered to fulfill the Scope of Work.
4. Your proposed resource commitment. Please provide specific identification of the staff and experience of those who will actually be doing the work ("Key Personnel"). Please provide an estimated percentage breakdown of the time commitment of personnel to the project.
5. For each portion of the Scope of Work for which you provide a proposal (1 – legal services and/or 2 – gas pipeline construction safety expert services), provide a budget statement for

this project that could reflect all work done by a single firm or a budget for a single lead firm and a team of subcontractors. Each budget statement should identify:

a. hourly fully loaded billing rates by staff member (or labor category);
b. estimated number of hours by staff member (or labor category);
c. other direct project expenses (e.g., travel, printing, express shipping, etc.); and,
d. total proposed project cost on a "not to exceed" basis.

6. Unless otherwise stated, fees for services shall be based upon the quoted rates, at the time the work is performed, of the personnel actually involved in the assignment. This budget would apply to all tasks for the duration of the engagement, up to the "not-to-exceed" firm fixed price.
7. Signed agreement to the attached Standard Terms and Conditions for Legal and Gas Pipeline Construction Safety Consultant Services.
8. All proposals must be accompanied with verification that the same complies with applicable legal ethics requirements.

Miscellaneous Provisions

1. All questions related to this RFP shall be directed to the Commission Staff's Point of Contact, Lloyd J. Spivak, Staff Counsel, Maryland Public Service Commission, Office of Staff Counsel, William Donald Schaefer Tower, 6 St. Paul Street, Baltimore, Maryland 21202, (410) 767-8123, Lloyd.spivak@maryland.gov (contract monitor), with a copy to the BGE Point of Contact, Daniel W. Hurson, Associate General Counsel, Baltimore Gas and Electric Company, 2 Center Plaza, 12th Floor, 110 West Fayette Street, Baltimore, MD 21201, Phone: (667) 313-3197, daniel.hurson@bge.com. Questions must be submitted via e-mail.
2. The Commission reserves the right to cancel this RFP, accept or reject any and all proposals, in whole or in part, received in response to this RFP, to waive or permit cure of minor irregularities, and to conduct discussions with all qualified or potentially qualified Offerors in any manner necessary. The Commission also reserves the right, in its sole discretion, to select winning Offeror(s) based upon the written proposals received without prior discussions or negotiations. The Commission may select, for award of a contract, legal services from one Offeror, gas pipeline construction safety expert consultant services from another Offeror, or both legal services and gas pipeline construction safety expert consultant services from a single Offeror.
3. Be aware that, once the Commission notifies the Successful Offeror(s) that they have been selected, substitution of Key Personnel listed in the Successful Offeror's proposal may not be made without the consent, in writing, of the Commission Staff's Point of Contact or their designee.
4. Neither BGE, the Commission, nor any party to Case No. 9791 will be responsible for any costs incurred by an Offeror in preparing and submitting a proposal or in performing any other activities related to preparing a proposal for this RFP.
5. Proposals should be prepared simply and economically, providing a straightforward, concise description of the Offeror's proposals to meet the requirements of this RFP.
6. An Offeror should give specific attention to the clear identification of those portions of its proposal that it considers confidential and/or proprietary commercial information or trade secrets that should not be disclosed under the Public Information Act, Md. Code Ann., General Provisions Article, Title 4. Reasonable steps will be taken to ensure that the portions

of the proposals identified as containing "confidential and/or proprietary commercial information or trade secrets" are maintained in a confidential manner in the electronic systems that will be used to administer this RFP.

Thank you for your consideration of our request. Please provide your proposal electronically to the Commission Staff's Point of Contact with a copy to the BGE Point of Contact. We look forward to receiving your proposal by 5:00 P.M. on July 15, 2025.

BALTIMORE GAS AND ELECTRIC COMPANY

STANDARD TERMS AND CONDITIONS

FOR

LEGAL AND GAS PIPELINE CONSTRUCTION SAFETY

CONSULTANT SERVICES

TO MARYLAND PUBLIC SERVICE COMMISSION

STANDARD TERMS AND CONDITIONS FOR PROFESSIONAL SERVICE CONTRACTS

Notwithstanding the terms and conditions of any other document submitted by the Successful Offeror (the “Consultant”) to the Baltimore Gas and Electric Company’s Request for Proposals for Legal and Gas Pipeline Construction Safety Consultant Services (the “Scope of Work”), which terms and conditions are expressly rejected unless specifically agreed to in writing by Baltimore Gas & Electric (“BGE”) in consultation with the Maryland Public Service Commission (“Commission”), the following terms and conditions shall govern the performance of tasks and services described in the accompanying Scope of Work ("Services"). The Scope of Work, and the attachments thereto, and the following terms and conditions constitute the entire agreement ("Agreement") between Consultant and BGE and Consultant's performance of any Service under the Scope of Work constitutes Consultant's acceptance of these terms and conditions. BGE and Consultant are sometimes referred to herein as “the parties.”

1. SUPPLY OF SERVICES

Consultant agrees to furnish services as defined in the Scope of Work authorizing the services.

2. STATUS

A. Consultant's employees, agents and sub- Consultants ("personnel") shall at all times act as independent Consultants and shall not be considered employees or agents of BGE. Neither Consultant nor its personnel shall have, nor represent themselves as having, any authority to approve or accept any proposal on behalf of BGE, or make any promise, representation, contract or other commitment binding upon BGE.

B. All personnel shall be under the exclusive supervision, direction and control of Consultant. Consultant shall have the right to control the details of the work performed by its personnel. Consultant shall establish all necessary rules, regulations and procedures related to the performance of Services.

C. Consultant shall accept full and exclusive liability for its personnel's salaries, employee benefits, allowances for vacation, sick leave, holiday pay, employee insurance and retirement benefits, all payroll taxes, workers' compensation and employer's liability insurance, and other insurance premiums measured by payroll costs, other contributions and benefits imposed by any applicable law or regulation, plus all Consultant personnel

expenses incurred in conformance with standard Consultant policy, including reasonable travel, accommodation and subsistence expenses. BGE shall not be responsible for Consultant personnel administration matters as such relate or are applied to such personnel including, without limitation, pay, internal discipline, equal opportunity or discrimination claims.

D. Upon written request by BGE, Consultant agrees to submit to BGE information regarding the compensation and benefits that Consultant provides any personnel. BGE agrees to request such information only when necessary to satisfy various tax and legal requirements. BGE agrees to maintain such information in a strictly confidential manner.

3. KEY PERSONNEL

A. Consultant's personnel, as identified in the Scope of Work, are hereby specified as Key Personnel and are deemed necessary for the successful performance of this Agreement. Consultant agrees that substitution of Key Personnel may not be made without the consent, in writing, of the Commission Technical Staff's ("Staff") Point of Contact or their designee.

B. The Commission and/or Staff shall be afforded the opportunity of meeting with and reviewing qualifications of Key Personnel replacements, each replacement to be equally well qualified as the individual leaving the project. All personnel assigned by Consultant to the project are subject to removal at the request of Staff. Whenever possible, replacements should be brought to the project team early, prior to the departure of the individual being replaced.

4. ALTERATIONS AND ADDITIONAL SERVICES

Consultant shall not make any change in the Services nor perform any additional Services without written approval from the Commission. If Consultant believes that changes are necessary, it shall so inform the Commission Staff's Point of Contact, as set forth in the Scope of Work. If the Commission approves such changes, Commission Staff's Point of Contact or their designee will provide written instructions. The Commission reserves the right to make changes in the Services if it determines that such changes are desirable or necessary to complete the Services fully and satisfactorily. If changes are to be made, or additional Services performed, a fair and equitable adjustment of the contract price shall be agreed upon in writing by the Commission, BGE and the Consultant before commencement of such changes or additions.

5. WARRANTY

A. Consultant warrants and represents that all Services are complete and accurate, are performed in a workmanlike, professional and efficient manner by qualified personnel, and conform to all requirements of this Agreement. If Consultant is required to provide equipment as part of these service, Consultant warrants that all Equipment (a) shall be of good quality and workmanship and free from defects, latent or patent, (b) shall conform to all specifications, drawings, and descriptions furnished by or to the Commission and/or BGE (c) shall be merchantable and suitable for their intended purpose, (d) shall be free of any claim of any third party, and (e) shall conform to all laws and regulations relating to their manufacture and use.

B. Consultant warrants that any employee providing Services shall possess the qualifications represented by the employee's resume and that the employee will be qualified and competent to provide the Services for which BGE requested the employee. The Commission and/or Staff shall have the right to require the immediate removal from the work of any employee of the Consultant not so qualified. Consultant shall, at its own expense, furnish a replacement employee possessing the required qualifications, if available. Such replacement shall be the sole and exclusive responsibility of the Consultant for breach of the above warranty.

C. Consultant warrants that if any of the Services fail to conform to the requirements defined in the Scope of Work document or are not in accordance with sound and generally accepted industry standards, Consultant will perform such necessary corrective Services of the type originally performed as may be necessary to correct any such defects brought to Consultant's attention in writing by BGE, the Commission, and/or Staff within one (1) year of completion of the services or from completion of the discreet segment which includes the Services in question. If BGE, the Commission, and/or Staff determine that such re-performance is impractical or undesirable, BGE, the Commission, and/or Staff, after consultation with Consultant, shall determine an equitable reduction in, or rebate of, the contract price.

D. None of the remedies available to BGE, the Commission, and/or Staff hereunder or at law or equity for breach of any of the foregoing warranties may be limited except as specifically agreed upon by BGE, the Commission, and/or Staff in a separate written agreement signed by their authorized representative.

6. AUDIT AND RECORDKEEPING

The Commission and BGE shall have the right at all reasonable times to review and audit (i) all evidence, including but not limited to, correspondence, records, vouchers and books of account supporting charges invoiced to BGE by Consultant for Services performed or money expended under this Agreement; and (ii) all records necessary to verify Consultant's compliance with BGE's requirements described under Section 9, below. Consultant shall maintain and retain for a period of three (3) years after the date of the applicable Scope of Work all invoices, time sheets, payroll records and other evidence supporting all such charges.

7. ASSIGNMENT AND SUBCONTRACTING

This Agreement may not be assigned by Consultant and Consultant may not subcontract any portion of the Services not already identified in the Consultant's response to the RFP as having been subcontracted without the express, written, consent of the Commission and BGE. Consultant shall assume full and exclusive responsibility for the work of any sub-Consultant. Any acts or omissions of such sub-Consultant, its agents or employees, shall be considered as if the same were those of agents or employees of Consultant. Consultant agrees to bind every sub-Consultant to, and every sub-Consultant shall be considered bound by, the terms of this Agreement. Nothing contained in this Agreement shall create any contractual relationship between any sub-Consultant and BGE.

8. COMPLIANCE WITH LAW AND BGE REQUIREMENTS

Consultant shall, and shall require all its sub-Consultants to, keep all records, file all reports and otherwise comply with all federal, state and local laws and regulations applicable to the Services including, without limitation, all laws and Executive Orders and pertinent rules and regulations adopted thereunder applicable to suppliers of U. S. government Consultants. This Agreement is deemed to include all provisions specifically required by law to be incorporated herein. If Consultant performs any work contrary to such laws or regulations, Consultant shall promptly, without cost or expense to BGE, the Commission or Staff, modify its performance as necessary

to so comply. Permits and licenses necessary for performance of the Services shall be secured and paid for by Consultant, unless otherwise provided in the Scope of Work. Consultant shall abide by any and all rules BGE, the Commission, and/or Staff may have in effect or hereafter puts into effect at the site of the work pertaining to workers, safety, use of cameras, access, security procedures or requirements, and the handling of equipment or materials.

9. INDEMNITY

Consultant shall, at its own expense, take all measures necessary to safeguard BGE's, the Commission's, and Staff's personnel and real property from any damage occasioned by the acts or omissions of Consultant's personnel. Consultant shall comply with applicable workers' compensation laws, and the following indemnity shall be fully applicable to all claims and payments arising under such laws. It is the intent of this Agreement that all risk of and liability for injury (including death) to every person, damage to or loss of use of all property, demands, claims, liabilities, expenses and costs, in whatever manner and by whomever occasioned, arising out of or incident to the performance of the Services shall rest upon Consultant; and Consultant shall defend, indemnify and hold harmless BGE, the Commission, and Staff, and all of their respective directors, officers, agents, employees, successors and assigns, from any and all demands, claims, liabilities, expenses and costs, including reasonable attorney's fees, arising from any such damage, loss or injury to the fullest extent permitted by law. This indemnity shall survive the termination or expiration of this Agreement. Upon notification by BGE, the Commission, and/or Staff, Consultant shall at its own expense defend any suit or other legal proceeding alleging such injury, loss or damage whether instituted against BGE, the Commission, and/or Staff alone or jointly with Consultant or others, and whether or not negligence or liability is charged solely against BGE, the Commission, and/or Staff. BGE, the Commission, and/or Staff shall provide Consultant prompt notice of such suit and cooperate fully in the defense of such suit. Participation by BGE, the Commission, and/or Staff through its own counsel in Consultant's defense of any suit against BGE, the Commission, and/or Staff shall in no way dilute this indemnity.

10. INSURANCE

A. Before commencing the work, Consultant shall procure and maintain at its own expense until final completion and acceptance of the entire project, the following minimum insurance in forms and with insurance companies acceptable to the Company:

1. Workers' Compensation insurance for statutory obligations imposed by Workers Compensation, Occupational Disease, or other similar laws, including, where

applicable, the United States Longshore and Harbor Workers' Act, the Federal Employees Act and the Jones Act. Employers' liability insurance shall be provided with a minimum limit of $1,000,000 per occurrence.

2. Business automobile liability insurance with the following minimum limit of liability:

$1,000,000 combined single limit per occurrence

This insurance is to apply to all owned, non-owned, hired, and leased vehicles used by Consultant in the performance of the work.

3. Business general liability insurance including contractual liability insurance covering all operations required to complete the project with the following minimum limit of liability:

$1,000,000 combined single limit per occurrence.

The contractual liability insurance coverage shall insure the performance of the contractual obligations assumed by Consultant under this Agreement, including specifically, but without limitation thereto, the Article entitled "Indemnity."

The commercial general liability insurance coverage shall name BGE, the Commission, and Staff as additional insureds and shall include a cross liability clause.

4. Professional liability (errors & omissions) insurance, where applicable, covering the professional services being delivered by Consultant with the following minimum limit of liability:

$5,000,000 per wrongful act.

5. Consultant shall likewise require its sub-Consultants, if any, to carry at least the minimum insurance described in this Article. Before any of the work is started under this Contract, unless a current certificate of insurance has previously been furnished to and approved by BGE, Consultant shall file with the Manager, Corporate Insurance and Risk Management Department, BGE,

certificates of insurance containing the following information in respect to all insurance carried:

a. Name of insurance company; policy number and expiration date.

b. Limits of insurance.

c. A description of work contemplated and coverage therefor (including a statement that specific coverage is included in accordance with this section where required).

d. A statement indicating that BGE's Manager, Corporate Insurance and Risk Management Department will receive in writing at least ten (10) days notice of the cancellation of any of the policies or any modification in the insurance that may affect its interest.

B. All insurance provided by Consultant shall be endorsed to be primary and without right of contribution from any insurance that BGE, the Commission, and/or Staff may have in effect. All coverages listed in Paragraph 10(A), above, are to have no deductibles or retentions. If any coverage has a deductible or retention, the deductible or retention must be shown on the certificate of insurance and approved by BGE prior to the commencement of work.

11. PAYMENT

A. Invoices shall be submitted by the Consultant to the Commission Staff's Point of Contact, with a copy to the BGE Point of Contact, as set forth in the Scope of Work.

B. Reimbursement, Compensation and Payment - BGE shall pay to Consultant only the compensation described in the Scope of Work and shall not be responsible for any services performed in excess of the total price of the Scope of Work unless approved in writing by an authorized representative of the Commission in consultation with BGE.

C. Terms of Payment - Consultant shall render invoice(s) at the end of each month for services actually performed, and such billing shall be payable by BGE on a net 30 day basis. Notwithstanding the foregoing, BGE shall not be required to pay invoices on a net 30 basis if there is a delay in receiving any data requirements in the number of copies specified or if there are errors and omissions in the invoice or data requirements. All billing(s) shall be

documented and identified by the Scope of Work.

12. SUSPENSION AND TERMINATION

A. Termination for Convenience – BGE, with the approval of or at the direction of the Commission and/or Staff, may at any time terminate performance of the work under this Agreement in whole or from time to time in part for the convenience of BGE, the Commission, and/or Staff by written notice to Consultant. Such termination shall be effective in the manner and upon the date specified in said notice and shall be without prejudice to any claims that BGE, the Commission, and/or Staff may have against Consultant.

B. Termination for Cause - if Consultant refuses or fails to prosecute the work or any separable part thereof with such diligence as will insure its completion within the time specified in the Agreement or any extension thereof, or fails to complete said work within such time, or if Consultant fails to perform any of the other provisions of the Agreement, BGE, with the approval of or at the direction of the Commission and/or Staff, may terminate this Agreement.

C. In addition, BGE, with the approval of or at the direction of the Commission and/or Staff may also terminate in the event of the happening of any of the following:

1. A breach by Consultant of any of the terms and/or provisions of the Agreement.

2. The refusal or neglect of Consultant to supply such number of properly skilled personnel as shall be determined at any time or from time to time by the Commission and/or Staff as being required to complete the work in accordance with the schedule provided in the Agreement, or if no such schedule is provided then within a reasonable time.

3. A seizure pursuant to judicial process of any of Consultant’s assets.

4. Insolvency, or financial instability of Consultant; the appointment of a receiver or trustee for Consultant; or the execution by Consultant, of an assignment for the benefit of creditors.

D. Payment Upon Termination

1. Reimbursable Costs - In the event of a termination of this Contract for convenience, Consultant shall be entitled to recover for its services actual costs incurred in accordance with this Agreement through the date of termination. The total reimbursable cost shall in no event exceed the Agreement price.

2. Fixed Fee (if applicable) - In the case of a termination for convenience, in addition to its reimbursable costs, Consultant shall be entitled upon termination of this Contract to such part of its firm fixed fee, as may be earned through the date of termination.

3. In the case of a termination for cause, Consultant shall not be entitled to receive any portion of the monies due it which may have been earned prior to the date of termination but which it has not actually received prior thereto, until such time as the costs incurred by BGE, the Commission, and/or Staff for which Consultant is liable as a result of its default are determined by BGE, the Commission, and/or Staff. When such determination is made, Consultant shall receive such amount, if any, as is in excess of the costs occasioned by Consultant's default.

E. Liability for Cost of Default - If performance of work under this Agreement is terminated for cause, the Commission and/or Staff, or BGE with the approval of or at the direction of the Commission and/or Staff, may complete or arrange for the completion of the work described by this Agreement, and Consultant shall be liable to BGE for increased costs incurred by BGE as a result of the default. Consultant shall pay the difference to BGE within 30 days of BGE's demand therefor.

13. CONFIDENTIALITY

Consultant acknowledges that in the performance of the Services it will have access to proprietary and confidential information belonging to BGE. Consultant agrees to maintain such proprietary or other information that is disclosed to them as "confidential" in strict confidence, and agrees not to use the same for any purpose other than the Services rendered under this Agreement. The Commission, its Staff, designated employees or consultants of the Maryland Office of the Peoples Counsel (OPC), Former Employees, and designated employees of BGE are the only entities, other than the Consultant's employees who have signed the Protective Agreement, who may be provided Confidential Information by the Consultant. The Consultant will treat all reports and other work products containing Confidential Information as confidential consistent with the Protective Agreement. This obligation will not cover information that (1) at the time of disclosure is in, or later

becomes part of the public domain, (2) was known by Consultant at the time the information was disclosed as part of the Services due to circumstances or events unrelated to the Services, or (3) has been developed by Consultant without reference to BGE's confidential information. In addition, in the event Consultant receives a subpoena or other governmental or judicial process purporting to compel disclosure of Confidential Information, Consultant shall provide BGE with prompt notice and will not take any action to interfere with any efforts by BGE to pursue legal remedies preventing or limiting disclosure. BGE agrees that Consultant shall not be required to delay disclosure while BGE objects, if such delay would subject Consultant to sanctions, and no agreement to indemnify Consultant has been worked out. In addition to the above:

1. All employees and subcontractors will sign a release that they have read and understand the confidentiality provisions of this Agreement. Such release shall be provided to BGE prior to the employee or subcontractor having access to the Confidential Information.
2. Any materials obtained or created by Consultant in association with providing Services shall be destroyed within 3 years after the issuance of a final Commission Order in the proceeding identified in the Scope of Work. The Consultant will send written notification to BGE that materials have been destroyed.
3. The Consultant and BGE understand and agree that monetary damages may not be an adequate remedy for a breach of the confidentiality provisions of these standard terms and conditions. Any monetary damages as a result of a breach of these confidentiality standard terms and conditions shall be limited to a total of $1,000,000 to be paid in equal parts to each of the entities specified by BGE. These damages for a breach of confidentiality shall include any and all damages including but not limited to punitive and legal fees or expenses or costs incurred in enforcing these standard terms and conditions, or recovering damages from any breach hereof. In the event of any breach or threatened breach by either the Consultant or BGE, the other party shall be entitled to injunctive and other equitable relief, and there shall be no pleading in defense thereto that there would be an adequate remedy at law. Such remedy shall be in addition to all other remedies available to it at law, or in equity.

14. RIGHT TO USE

A. All work done pursuant to this Scope of Work is acknowledged to be work made for hire. BGE and the Commission preserve the exclusive rights to print, reprint, publish, copy, and vend all such work.

B. Subject to the Protective Agreement, BGE and the Commission shall have complete and unrestricted right to use all plans, specifications, drawings, reports, manuals and

documents prepared or generated by Consultant in connection with its performance of the Services described or referred to herein. Said documents, including any copyright therein, are to be the property of BGE and the Commission and are not to be used on other projects except by agreement of BGE and the Commission in writing. If, for any reason, BGE and the Commission are found not to own such copyright, an assignment thereof shall be made by Consultant.

15. CONFLICT OF INTEREST

The Consultant will notify BGE and the Commission immediately if it undertakes any consulting business with industry entities not disclosed in the Consultant's original proposal. If the Consultant undertakes business with such entities the Consultant will notify the Commission of any changes in the Consultant's approach to protecting confidential information under this Agreement.

16. GOVERNING LAW

This Agreement shall be construed by, and interpreted in accordance with, the laws of the State of Maryland.

17. SURVIVAL

The representations, warranties, and covenants contained and/or made in this Agreement shall survive the termination of this Agreement and the performance of the work contemplated by this Agreement.

18. SEVERABILITY

If any provision of this Agreement shall be construed to be illegal or invalid, it shall not affect the legality or validity of any of the other provisions hereof, and the illegal or invalid provisions shall be deemed stricken and deleted hereof to the same extent and effect as if never incorporated herein, but all other provisions hereof shall continue.

19. NON-WAIVER

A failure by BGE, the Commission, and/or Staff to exercise any right hereunder, or otherwise waive or condone any delay or failure by Consultant to comply with any of the terms or conditions of this Agreement shall not constitute a continuing waiver of any such requirement or provision, or any rights of BGE, the Commission, and/or Staff hereunder.

20. BGE'S AND COMMISSION'S REMEDIES

All of the remedies hereunder enjoyed by or given to BGE, the Commission, and/or Staff are cumulative, and are, in addition to any other rights or remedies which BGE, the Commission, and/or Staff may have at law, in equity or otherwise; each such remedy is not exclusive of, and does not limit, any other remedy in any way.

21. MISCELLANEOUS

A. Time is of the essence in this Agreement.

B. Any Services started under this Agreement and not completed by the specific completion date, but which are continued or restarted thereafter, shall be performed in accordance with and shall be subject to the terms and conditions of this Agreement until completed.

22. SECTION HEADINGS

The section headings contained in this Agreement are inserted only as a matter of convenience and reference and in no way define, limit, or describe the scope or intent of this Agreement and do not in any way affect its provisions.

23. ENTIRE AGREEMENT

This Agreement, and the Scope of Work and attachments thereto, constitute the entire agreement and understanding between the parties concerning the subject matter hereof and supersedes all prior written and oral agreements, proposals, promises and representation of the parties respecting the subject matter hereof. No representation or promise hereafter made, nor any modification or amendment of this Agreement, shall be binding upon either party, unless made in writing and signed by the parties hereto.

Signature: _____

Type or Print Name: _____

Title: _____

Company: _____

Confidentiality Release

_____, hereinafter referred to as "Consultant" has agreed to the following confidentiality requirements in its contract for services to be provided to the Maryland Public Service Commission:

Consultant acknowledges that in the performance of the Services it will have access to proprietary and confidential information belonging to BGE. Consultant agrees to maintain such proprietary or other information that is disclosed to them as "confidential" in strict confidence, and agrees not to use the same for any purpose other than the Services rendered under this Agreement. The Commission, its Staff, designated employees or consultants of the Maryland Office of the Peoples Counsel (OPC), Former Employees, and designated employees of BGE are the only entities, other than the Consultant's employees who have signed the Protective Agreement, who may be provided Confidential Information by the Consultant. The Consultant will treat all reports and other work products containing Confidential Information as confidential consistent with the Protective Agreement. This obligation will not cover information that (1) at the time of disclosure is in, or later becomes part of the public domain, (2) was known by Consultant at the time the information was disclosed as part of the Services due to circumstances or events unrelated to the Services, or (3) has been developed by Consultant without reference to BGE's confidential information. In addition, in the event Consultant receives a subpoena or other governmental or judicial process purporting to compel disclosure of Confidential Information, Consultant shall provide BGE with prompt notice and will not take any action to interfere with any efforts by BGE to pursue legal remedies preventing or limiting disclosure. BGE agrees that Consultant shall not be required to delay disclosure while BGE objects, if such delay would subject Consultant to sanctions, and no agreement to indemnify Consultant has been worked out. In addition to the above:

1. All employees and subcontractors will sign a release that they have read and understand the confidentiality provisions of this Agreement. Such release shall be provided to BGE prior to the employee or subcontractor having access to the Confidential Information.
2. Any materials obtained or created by Consultant in association with providing Services shall be destroyed within 3 years after the issuance of a final Commission Order in the proceeding identified in the Scope of Work. The Consultant will send written notification to BGE that materials have been destroyed.
3. The Consultant and BGE understand and agree that monetary damages may not be an adequate remedy for a breach of the confidentiality provisions of these standard terms and conditions. Any monetary damages as a result of a breach of these confidentiality standard terms and conditions shall be limited to a total of $1,000,000 to be paid in equal parts to each of the entities specified by BGE. These damages for a breach of confidentiality shall include any and all damages including but not limited to punitive and legal fees or expenses or costs incurred in enforcing these standard terms and conditions, or recovering damages from any breach hereof. In the event of any breach or threatened breach by either the Consultant or BGE, the other party shall be entitled to injunctive and other equitable relief, and there shall be no pleading in defense thereto that there would be an adequate remedy at law. Such remedy shall be in addition to all other remedies available to it at law, or in equity.

I _____ hereby acknowledge that I have read and understood the foregoing confidentiality requirements. I agree that I will be bound by these requirements with regard to any materials I receive or view as a result of my employer's contract with BGE.

_____	_____
Print Name	Signature and Date

ORDER NO. 91643

Investigation into Gas System Inspection Issues Raised Regarding Baltimore Gas and Electric Company	* * * * * * *	BEFORE THE PUBLIC SERVICE COMMISSION OF MARYLAND Case No. 9791

Issue Date: May 8, 2025

ORDER INITIATING A PROCEEDING

In this Order, the Commission initiates a new docket, Case No. 9791, and delegates this matter to the incoming Chief Public Utility Judge ("Chief PULJ")[1] for investigation and issuance of a fact-finding report and recommendations regarding Baltimore Gas and Electric Company's ("BGE") gas system safety inspection program. An initial report shall be filed with the Commission within 90 days of this Order.

The initial report shall provide a status update on the progress of the proceeding, including a report on the selection of an independent auditor or a Technical Staff ("Staff") consultant. The initial report shall also propose the schedule for the final report. Upon receipt of the final report, the Commission shall consider comments and exceptions from the parties and issue its determination on the matter.

[1] In a press release issued May 6, 2025, the Commission announced that beginning July 1, 2025, Judge Kristin Case Lawrence will assume the role of Chief Public Utility Law Judge at the Commission. For purposes of this Order, PULJ and Chief Judge are intended to refer to Judge Lawrence.

I. BACKGROUND

On February 10, 2025, the Commission issued Order No. 91518 in Case No. 9645, requiring the Commission's Engineering Division ("PSCED") to investigate issues raised by former BGE employees in their Petition to Intervene in the case,[2] regarding alleged deficiencies involving the Company's gas system safety inspection program.[3] PSCED filed its Investigation Report ("Report") in this matter on April 11, 2025.[4] The Report documented concerns related to BGE's oversight and eventual termination of an inspector employed by the Company. In its Investigation Report, PSCED recommended: (1) the immediate issuance of a Commission order directing BGE to produce a list of all projects "inspected" by the discredited employee,[5] (2) a mandatory independent audit of BGE's adherence to its inspection procedures/protocols, (3) the consideration of cost disallowance or refunds to ratepayers where prudency cannot be substantiated, and (4) that the Commission require BGE to develop and file a corrective action plan.

On April 17, 2025, BGE filed its response to the Investigation Report.[6] On April 22, 2025, the Maryland Office of People's Counsel ("OPC") filed its response to the Investigation Report.[7] On April 18, 2025, the Commission issued a Notice of Hearing, setting April 23, 2025, as the date for a Status Conference in Case No. 9645 to hear comments on the filings submitted by the parties on this issue.[8]

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[2] Maillog No. 314476.
[3] Order No. 91518, *Baltimore Gas and Electric Company's Application for an Electric and Gas Multi-Year Plan*, Case No. 9645 (Maillog No. 315614).
[4] Maillog No. 317951 at 1.
[5] This recommendation was later revised as noted below.
[6] Maillog No. 318107.
[7] Maillog No. 318192 at 1.
[8] Maillog No. 318151. This Hearing is also referenced as a Status Conference.

II. PARTY POSITIONS

1. Public Service Commission's Engineering Division's Investigation Report

The PSCED investigated the following: (1) actions BGE took to ensure compliance with all applicable federal and State regulations, municipal codes, and internal safety standards, (2) remediation work performed in response to potential safety issues, (3) whether the safety of the natural gas infrastructure was compromised, and (4) whether BGE included increased gas contracting or internal labor costs related to the misconduct in its 2023 multi-year rate plan reconciliation.[9] In its Investigation Report, PSCED identified gaps in BGE's compliance oversight, quality assurance of work, and verification of gas distribution records.[10] Furthermore, in reviewing BGE's gas contracting and labor costs related to the misconduct, the PSCED noted that BGE did not provide an itemized report of costs associated with investigating the inspector's misconduct, legal, human resources, or compliance-related costs triggered by the incident, and without disaggregated forensic accounting data, it is difficult to track expenses.[11] In conclusion, the PSCED recommendations included establishing an independent audit, disallowing imprudent expenses, and creating a corrective action plan.[12]

2. Baltimore Gas and Electric Company's Response to the Investigation Report

In its Response to the PSCED's Report, BGE emphasized its steadfast commitment to ensuring that its electric and gas infrastructure is well-maintained and asserted that

[9] The Commission recognizes that BGE has already offered to forgo collection of any funds associated with the alleged malfeasance of the construction inspector who is the subject of the Petition to Intervene.
[10] Investigation Report at 14-16.
[11] *Id*. at 15.
[12] *Id*. at 16.

PSCED's Investigation Report contains misstatements and inaccuracies underlying PSCED's conclusions and recommendations.[13] BGE argued that the characterization of the former inspector's role as a safety inspector is false. Instead, BGE asserted the inspector should be viewed as a contractor compliance auditor.[14] Regarding the termination of the inspector, BGE noted that the Company took appropriate action to address the inspector's underperformance in 2023, and the Company's continued proactive oversight resulted in the inspector's termination.[15] BGE observed that several documents were requested, including project lists, inspection records, falsified reports, and itemized costs related to the inspector's termination.[16] However, BGE asserted that its responses to documentation requests were complete to the extent records existed.[17] Finally, BGE proposed that, to the extent there are concerns with the quality of the inspector's work and possible recovery from ratepayers, the Company has excluded the terminated inspector's entire salary from the Company's multi-year ratemaking proposal.[18]

3. Office of People's Counsel's Response to the Investigation Report

In its Comments, OPC noted that PSCED's Investigation Report raises deeply concerning questions regarding BGE's gas infrastructure inspection processes (and the Company's adherence to those processes), the safety of at least parts of BGE's gas distribution system, and the costs and prudence of BGE's related gas infrastructure work. OPC recommended that the Commission "open a separate docket and conduct a full

[13] Maillog No. 318107.
[14] BGE's Response to Investigation Report at 2.
[15] *Id*. at 4-5.
[16] *Id*. at 6 and 11.
[17] *Id*. at 6 and 12.
[18] *Id*. at 2.

evidentiary process and hearing, allowing any interested parties to intervene and participate" in the review.[19] Furthermore, OPC requested that the Commission direct its Technical Staff to reduce or eliminate the confidentiality designation from the PSCED's Investigation report.[20]

4. Status Conference

On April 23, 2025, the Commission held a Status Conference to hear comments on the filings submitted by the parties. Staff began by noting a revision to Recommendation No. 1, amending that recommendation to request "Immediate issuance of a Commission order directing BGE to produce a list of all projects that were assigned to but not 'inspected' by the discredited employee that were inspected by other inspectors from the Corrosion, Leak, and Proactive Service Renewal Program for 2022 until his termination."[21] Furthermore, Staff articulated concerns that the problems related to the employee's termination could be systemic and that an independent audit may be necessary to analyze cost allocation.[22]

BGE responded that the poor performance was discovered through proactive internal oversight, and the termination is akin to those common among businesses, which had no impact on the safety of the gas distribution system, and the inspector's salary has been excluded from BGE's multi-year rate plan (the "MRP").[23] Furthermore, BGE argued that work assigned to the inspector was related to contract compliance rather than gas

[19] OPC Response at 3.
[20] *Id*. at 2.
[21] Apr. 23, 2025, Hearing Transcript ("Tr.") at 6:6-12.
[22] *Id*., Tr. at 9:20-10:4.
[23] *Id*., Tr. at 16:1-12.

distribution safety.[24] OPC asserted that this characterization overlooks the possibility that gas distribution safety responsibilities could be included in other duties as assigned.[25] There was consensus among the parties in favor of creating a new docket to investigate the actions of BGE in addressing concerns related to the former terminated inspector and the possible impact on ratepayers.[26] The Commission concluded the Status Conference by stating an order would be released to address any further investigation of this matter.[27]

COMMISSION DECISION

Upon consideration of the matter, the Commission hereby initiates this new docket and delegates the matter to the Chief PULJ for evidentiary and further proceedings for issuance of an initial and final report, consisting of factual findings and recommendations addressing all material issues. During the course of the proceeding, the Chief Judge shall also issue rulings on other matters, including whether an independent audit of BGE's adherence to its inspection procedures/protocols, as recommended in PSCED's Report is warranted, and if so, the parameters of such an audit and how the Company should be directed to proceed.

Based on input from the parties, if the Chief Judge determines that an independent audit is warranted, the Commission hereby directs Staff to recommend a shareholder-funded independent auditing company, pursuant to request for proposals issued by the Company, for selection by the Commission, to investigate BGE's adherence to its inspection procedures and operating protocols pursuant to the auditing parameters agreed

[24] *Id*., Tr. at 10:6-19.
[25] *Id*., Tr. at 14:8-23.
[26] *Id*., Tr. at 8:2-7., 9:5-12.
[27] *Id*., Tr. at 16:20-17:2.

upon by the parties and accepted by the Chief Judge. Upon completion of its investigation, the independent auditor shall submit a final report to Staff for filing in the case.[28] If, however, the parties and the Chief Judge conclude that an independent audit is not necessary or is impractical, the Commission hereby directs Staff to retain a shareholder-funded independent consultant to assist PSCED in its investigation of this matter. The selection of a Staff consultant shall be made in the same manner as described herein had the process been used for the selection of an independent auditor.

The Chief PULJ shall also rule on OPC's request to reduce or eliminate BGE's confidentiality designations in the Company's Response in Opposition to the former BGE employees' Petition to Intervene in Case No. 9645 and confidential designations by Staff in PSCED's Investigation Report. This proceeding shall however focus on the issues raised in Staff's Investigation Report and this Order, including the safety of BGE's gas system inspection program. While it bears repeating that the Commission is troubled by accusations that a BGE employee repeatedly failed to conduct proper inspections and submitted false reports, and that allegedly BGE generally neglected to exercise good management judgment regarding gas infrastructure projects,[29] this proceeding should not be hampered by extraneous issues that do not directly address the issues raised in PSCED's Report or this Order.

Discovery shall proceed under a procedural schedule established by the Chief PULJ. In discovery, the Commission's Technical Staff shall solicit, among other things, answers to the following questions:

[28] Interim reports by the independent auditor or Staff consultant may be directed at the discretion of the PULJ.
[29] See, Order No. 91518 at 9-10.

1. In consideration of the inspector's job duties and Operator Qualifications,[30] why does BGE maintain that the field audits are part of the contractual oversight function and that the PSCED's attempt to equate these audits to comprehensive safety inspections is improper and without basis?

2. What insights can BGE provide to explain the differences in job duties of a Field Inspector referenced in Case No. 9653 versus those in Case No. 9645?[31]

3. Where is documentation of other inspection records for projects inspected by the terminated inspector or other evidence that other qualified individuals are authenticating "the work with multiple layers of verification" as claimed by BGE?[32]

4. Why has BGE not mentioned its Quality Division[33] or otherwise produced detailed audit checklists by this Quality Division for inspections that should have been performed by the terminated inspector to validate the workmanship of construction tasks?

Although the Commission is docketing this matter as a separate proceeding from BGE's MRP rate case (Case No. 9645), which is currently focused on BGE's Year 3 Final Reconciliation, the information revealed in this new proceeding may become relevant to

[30] PHMSA OQ, or Operator Qualification, refers to a set of regulations and requirements established by the US Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) to ensure that individuals working on pipelines have the necessary training, experience, and skills to safely perform their tasks and prevent accidents.

[31] Staff's Report in Case No. 9653 involving investigation into a building explosion in Columbia, Maryland appears to validate Staff's Report that Field Inspector duties include safety related duties. Specifically, BGE's response to Staff's Case No. 9653 Report states that "BGE's current practice is to assign Field Inspectors across the service area to oversee a sample of construction activities conducted by contractor resources to ensure safety and workmanship." (Maillog No. 232617 at 6.)

[32] Maillog No. 318107.

[33] *See* Maillog No. 232617 at 7 of BGE's Response to Staff's Case No. 9653 Report that states, "In January 2020 [...] BGE also created a new quality control department (the "Quality Department"), whose purpose is to ensure that work is constructed according to Company standards. The Quality Department is a standalone organization separate from the other Field Inspectors, described above. The newly developed Quality Department will have inspectors dedicated to audit the workmanship of construction tasks via detailed checklists. The Quality Department will also audit installation work utilizing a risk-based inspection methodology–collecting data based on calculated risk and adequate sample sizes to trend statistically significant data. This department has already begun quality audits this year and will continue to expand its scope over time."

Case No. 9645. To the extent that the new proceeding reveals imprudent BGE expenditures related to the Company's Year 3 Final Reconciliation, the Commission may disallow those expenditures. Accordingly, BGE is directed to establish a regulatory liability account to identify and track any such costs. Any regulatory liability identified in this proceeding may be accounted for as a regulatory asset for customers either in Case No. 9645 or in a future BGE base rate case.

Upon receipt of the Chief Judge's final report, the Commission shall direct further proceedings, allowing the parties to file exceptions and comments on the Chief PULJ's factual findings and recommendations prior to issuing its determination in this matter.

By Direction of the Commission,

/s/Andrew S. Johnston

Andrew S. Johnston
Executive Secretary

INVESTIGATION INTO GAS INSPECTION ISSUES RAISED REGARDING BALTIMORE GAS AND ELECTRIC COMPANY	* * * *	BEFORE THE PUBLIC SERVICE COMMISSION OF MARYLAND CASE NO. 9791

May 21, 2025

PUBLIC UTILITY LAW JUDGE'S
NOTICE OF PROCEDURAL SCHEDULE

On May 20, 2025, an initial conference was held in the above-captioned matter to set interim dates leading to the initial report due August 6, 2025 and to discuss other matters set out in Order No. 91643 including the independent audit/consultant and confidentiality.

Appearing at the pre-hearing conference were the following persons: Joel Michel, Esquire and Daniel W. Hurson, Esquire, on behalf of Baltimore Gas and Electric Company (BGE); Ryan Hsu and Pauline Raisis, Assistant People's Counsel, on behalf of the Maryland Office of People's Counsel (OPC)[1]; David Manuel Baña, Esquire, on behalf of Jaime Acevedo, Aldean Allen, Kevin Alston, Articee El-Amin, Randall Carroll, Michael A. Greene, Eric Hockaday, Darryl Johnson, Ajtiim Lee, Parris McGhee Jr., Elmer Mooring, Jr., Quentin Pearson, Brandon Savoy, and Malik Smith (collectively, the "Former Employees"); and Lloyd Spivak, Staff Counsel, on behalf of the Technical Staff ("Staff")[2] of the Public Service Commission of Maryland (the "Commission").

[1]Ryan Hsu, Assistant People's Counsel, also entered the appearance of Mark Szybist, Michael Sammartino, and Nichole Zeichner, Assistant People's Counsel, on behalf of OPC.

[2] Lloyd Spivak, Staff Counsel, also entered the appearance of Michael Dean, Assistant Staff Counsel, on behalf of Staff.

A certificate of publication certifying notice of the initial conference was entered into the evidentiary record as BGE Exhibit 1.[3]

The Former Employees filed a Petition to Intervene which was granted on May 19, 2025. BGE filed a Request for Reconsideration, and Opposition to Former Employees' Petition to Intervene, which was denied. No other petitions to intervene in the proceeding were filed.

Order No. 91643 directed that a ruling be made "on OPC's request to reduce or eliminate BGE's confidentiality designations in the Company's Response in Opposition to the former BGE employees' Petition to Intervene in Case No. 9645 and confidential designations by Staff in PSCED's (Public Service Commission Engineering Division) Investigation Report." Based on BGE's response to Bench Data Request 1-1, the only items that are confidential are current or former employee names, compensation amounts, and personally identifiable information. BGE is no longer asserting confidentiality over BGE's Response in Opposition to OPC's Motion to Suspend Procedural Schedule filed in Case No. 9645,[4] except for the name and compensation of the former BGE employee referenced therein. BGE clarified that salaries themselves are not confidential, only when tied to a particular current or former employee. BGE does not anticipate having to disclose information related to critical infrastructure; such information is not for public disclosure. To the extent possible in future responses, use of a confidential key containing employee names is to be used, with descriptors such as "Inspector 1" or "Supervisor A" used to allow for a fully public filing without redactions.

PSCED's Investigation Report[5] was marked confidential because BGE's responses to Staff's Specific Information Requests (SIR) were marked confidential. BGE is directed to resubmit

[3] The certificate of publication was filed under Maillog (ML) 318976 on May 19, 2025.
[4] Dkt Item No. 223 in Case No. 9645 (ML 314658)
[5] Dkt Item No. 253 in Case 9645. Also referred to as Staff's Investigation Report.

all previous responses to PSCED SIR2501, and attachments thereto, with only the above-designated confidential information redacted, incorporating the information in BGE's March 31, 2025 letter.[6] Attachment 3 to Staff's Report entitled Questions and Meeting Notes can be resubmitted by Staff with only the above-designated confidential information redacted.

In Order No. 91643, the Commission set forth areas of inquiry regarding BGE's explanation of field audits, job duties of field inspectors as referenced in Case No. 9653, documentation of other inspection records and evidence of alleged multiple layers of verification, and involvement of BGE's Quality Division. Accordingly, BGE shall respond to the following requests for information by June 17, 2025:

1. **Why does BGE maintain that the field audits are part of the contractual oversight function and that the PSCED's attempt to equate these audits to comprehensive safety inspections is improper and without basis?**

    a. BGE has stated that as to the discredited employee, their "primary responsibility was to provide oversight on the day-to-day activities of gas construction and maintenance contractor crews to ensure workmanship and safety meets applicable BGE and jurisdictional standards"

        i. Produce documentation that reflects or evidences all applicable BGE standards.
        ii. Produce documentation that reflects or evidences all applicable jurisdictional standards.

    b. Staff's Report indicates that there are 559 observations available in LocusView for each filed audit.

        i. Produce a list of all 559 possible observations.
        ii. Produce reports completed by other BGE inspectors for the same type of work that include observations that resulted in a "Stop Work Action."

    c. Staff's Report indicates that "If an inspector found a safety issue or if something was not correct with a job, he/she could either issue a "UnSat" for an issue that was immediately fixable. If it was serious offense the inspector would issue a "Stop Work Action."

[6] The Former Employees will need to execute a non-disclosure agreement (NDA).

i. What are the serious offenses for which an inspector could issue a "Stop Work Action."
ii. Provide documentation of any “Stop Work Actions” issued on work inspected by the Corrosion, Leak, and Proactive Service Renewal program during 2022, 2023 or 2024.
iii. State whether there were any accidents or injuries on job sites inspected by the Corrosion, Leak, and Proactive Service Renewal program during 2022, 2023 or 2024, and provide any and all documentation related thereto.
iv. State whether the only method BGE utilized to supervise the work of inspectors in the Corrosion, Leak, and Proactive Service Renewal program was to compare the number of inspections documented as between individual inspectors.
v. If there was other management or oversight of inspectors, provide any and all documentation which reflects or evidences such management or oversight.
vi. Provide the names of management personnel responsible for overseeing inspectors in the Corrosion, Leak, and Proactive Service Renewal program.

d. In Response SIR2501-2, BGE stated that it “did not find that the discredited employee submitted false inspection reports in 2023.” In Response SIR2501-2, BGE stated “As explained in the response to Question 2, [the discredited employee] was found to have falsified a single inspection report in 2024, which in part led to his termination. The report was entered into Locus View on April 16, 2024; however, vehicle telematics do not show [the discredited employee] on the job on that date. Furthermore, BGE confirmed with the contractor that the job was not performed until April 18, 2024.

i. Given that BGE found an inspection report was false because no work was performed on the date of the report, describe in detail how BGE would know all observations in other reports (which were made on a date and for a location where work was being performed) were accurate.

e. In SIR2501-5, BGE states, “there is an entirely separate process through which both Company crews and contractors certify that jobs were completed by qualified personnel, *inter alia,* on what is called the Inspection Repair Report or IRR. Every IRR is reviewed by BGE personnel to ensure completeness before the work performed is placed into service in the Company's systems of records.”

i. Produce IRRs for all jobs to which the discredited employee was assigned.
ii. Provide the names of BGE personnel responsible for reviewing IRRs from 2022 through the present.

f. BGE has indicated that the type of work the discredited employee was inspecting consisted of Proactive service replacements, Ski-Bar service riser replacement, Joint encapsulation, Corrosion, and Leak repair.

i. Describe what is involved with each type of work.

ii. Provide the names of BGE personnel or contractors who are responsible for turning gas off before any of the above-described work commences, and for turning gas on when work is put into service.

g. BGE represented that "field audits or spot checks designed to ensure contractors meet contractual milestones and complete the documentation required under agreements between BGE and its contractors. These field audits are part of the contractual oversight function and are not needed to place work into service."

i. Explain in detail what is needed to place the above-described work into service producing any and all documentation related thereto, identifying the documentation BGE requires from its contractors.
ii. Provide the names of BGE personnel or contractors who are responsible for determining whether work is complete and can be placed into service.

h. Produce the list, as recommended by Staff in its Report, of all projects that were assigned to but not inspected by the discredited employee that were inspected by other inspectors from the Corrosion Leak Proactive Service Renewal Program for 2022 until his termination."

2. What insights can BGE provide to explain the differences in job duties of a Field Inspector referenced in Case No. 9653 versus those in Case No. 9645?

a. In BGE's Response to Staff Engineering Division's Report on Probable Cause in Case No. 9653, BGE stated: "Specific to joint trench installations, Field Inspectors are onsite to visually inspect the work for compliance with standards including separation distances, witness air pressure tests, gas main pressurizations, gas main connections, high-pressure service installations, restoration compaction tests performed on state roads, and any work conducted at night."

i. Produce any and all documentation that reflects or evidences the jobs duties of the Field Inspectors referenced in Case No. 9653.
ii. Explain in detail the difference, if any, between the Field Inspectors referenced in Case No. 9653 and UG Construction Inspectors for the Corrosion, Leak, and Proactive Service Renewal program such as the discredited employee.
iii. If BGE contends there is a difference between the Field Inspectors referenced in Case No. 9653 and UG Construction Inspectors for the Corrosion, Leak, and Proactive Service Renewal program such as the discredited employee, produce any and all documentation in support of such contention.

3. Where is documentation of other inspection records for projects inspected by the terminated inspector[7] or other evidence that other qualified individuals are authenticating "the work with multiple layers of verification" as claimed by BGE?

[7] Also referred to as the discredited employee.

a. BGE has proffered that "BGE's robust approach to contractor oversight incorporates multiple layers of verification and redundancy" and that "This rigorous framework consistently exceeds industry best practices."

i. Produce documentation of the multiple layers of verification and redundancy.
ii. Provide the names of BGE personnel with knowledge of, and responsibility for, the multiple layers of verification and redundancy.
iii. Produce documentation of the referenced industry best practices.

b. BGE represented that it has undertaken various proactive actions to bolster its inspection process.

i. Produce documentation of the various proactive actions to bolster the inspection process.
ii. Provide the names of BGE personnel responsible for the various proactive actions to bolster the inspection process including supervisory personnel.

4. Why has BGE not mentioned its Quality Division or otherwise produced detailed audit checklists by this Quality Division for inspections that should have been performed by the terminated inspector to validate the workmanship of construction tasks?

a. In BGE's Response to Staff Engineering Division's Report on Probable Cause in Case No. 9653, BGE stated: "[i]n January 2020, as part of Exelon utilities' commitment to quality control, BGE also created a new quality control department (the "Quality Department"), whose purpose is to ensure that work is constructed according to Company standards. The Quality Department is a standalone organization separate from the other Field Inspectors, described above. The newly developed Quality Department will have inspectors dedicated to audit the workmanship of construction tasks via detailed checklists. The Quality Department will also audit installation work utilizing a risk-based inspection methodology – collecting data based on calculated risk and adequate sample sizes to trend statistically significant data. This department has already begun quality audits this year and will continue to expand its scope over time.

i. Produce documentation detailing the duties, activities, and operations of the Quality Department.
ii. Provide the names of BGE personnel (inspectors, supervisors, and managers) assigned to the Quality Department.
iii. Provide the names of BGE personnel responsible for oversight of the Quality Department.

Staff may issue additional requests for information as necessary after BGE has responded to the requests set forth above. OPC, after reviewing BGE's responses to the above requests, and with input from the Former Employees, may issue additional, non-duplicative requests for information if OPC deems them necessary. The initial stage of this proceeding will focus solely on safety, and all information requests must be related to BGE's gas system safety inspection program. Concerns regarding potentially imprudent BGE expenditures which may be disallowed as part of the Company's Year 3 Final Reconciliation in Case No. 9645 will be addressed in subsequent stages of this proceeding. No discovery by any Party other than what is outlined herein is permitted.

Staff's Investigation Report recommended an "independent audit of BGE's adherence to its inspection procedures/protocols" and pursuant to Order No. 91643, the Commission directed that an initial report shall be filed within 90 days of the date of the Order which includes the status of the selection of an independent auditor or a Staff consultant.[8]

Based on the discussion at the initial conference, it is hereby determined that any audit of BGE's adherence to its inspection procedures/protocols would only be effective after discovery as to BGE's inspection procedures/protocols is complete and BGE's inspection procedures/protocols are thoroughly understood. Due to the voluminous nature of the documentation that must be reviewed, and potential need for follow-up interviews of multiple BGE personnel to clarify information received, Staff's limited resources and the exigent nature of this safety-centric investigation may necessitate a Staff consultant that can provide litigation services in conjunction with an expert in gas pipeline construction safety. BGE is directed to prepare a request for proposals (RFP) for this type of consultant services. The legal and expert consultant would review

[8] *See* Order No. 91643 at 1.

BGE's responses to the information requested herein, prepare any additional requests for information, and conduct meetings with, and/or depositions of, BGE personnel as appropriate.

At the status conference on April 23, 2025, BGE questioned whether an audit was appropriate. BGE maintained that the duties of the discredited employee did not encompass system safety work, but was contract compliance auditing performed on a sample of contractor work, and so there was no demonstration of an impact on the safety of the system.[9] At the initial conference, BGE indicated it was willing to alter its position and agree to an independent audit of its gas system safety inspection program. Thus, BGE is directed to prepare an alternative, second RFP for the services of an independent auditor who would conduct a review of BGE's inspection procedures and operating protocols and investigate BGE's adherence to such inspection procedures and operating protocols.

Based on the discussion at the initial conference, the following initial procedural schedule is adopted:

- BGE shall provide responses to the above questions, and produce the documentation requested, by June 17, 2025.
- BGE will endeavor to submit the two RFPs described above by May 28, 2025.
- OPC and Staff shall submit comments on the draft RFPs within seven (7) days after BGE circulates the two RFPs, including in their comments which alterative RFP is preferred.
- The RFP that is selected should be finalized for issuance on or about June 11, 2025.
- Responses to the RFP shall be provided to the Commission and all Parties upon receipt.
- Staff may issue additional information requests regarding BGE's gas system safety inspection program, as necessary,

[9] Transcript of April 23, 2025 Status Conference in Case No. 9645 at 10.

during the RFP process, after reviewing BGE's responses to the requests herein.

- OPC, after reviewing BGE's responses to the requests set forth herein, may, with input from the Former Employees, issue additional, non-duplicative information requests that relate to BGE's gas system safety inspection program.
- Staff shall file in the docket a brief summary of the information and documentation gathered by July 9, 2025, and provide an outline of proposed additional discovery including meetings with/depositions of BGE personnel.
- If OPC issued information requests, OPC shall file in the docket a summary of the information and documentation OPC gathered by July 23, 2025, and provide an outline of proposed additional discovery including meetings with/depositions of BGE personnel.
- All Parties shall file comments in the docket on Staff's summary and/or OPC's summary by July 30, 2025.
- Initial Report due to Commission August 6, 2025.

The discovery guidelines are as follows:

- Responses to information requests shall be due within seven (7) business days.
- Responses to information requests shall be provided electronically to all Parties, copying the Public Utility Law Judge and not filed in the docket.

/s/ Kristin Case Lawrence
Kristin Case Lawrence
Public Utility Law Judge
Public Service Commission of Maryland

SERVICE LIST – CASE NO. 9791

June 10 , 2025

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