



March 30, 2009

Dear Senator:

On behalf of the members of the *Restaurant Association of Maryland*, we strongly oppose SB 844 because it would return small commercial customers to regulated electricity rates.

Many of our members acquire their commercial electricity through the Mid-Atlantic Aggregator Independent Consortium (MAAGIC), which was created in 2000 by nine business trade associations. MAAGIC assists association members in securing long-term electricity supply contacts through a selected energy broker. Depending on the contract term and lock-in price, our members can save 8 to 20 percent on their electricity supply costs.

With the volatility of the electricity market, both our smaller and larger members, who previously signed contracts through our MAAGIC program, have managed to stave off rate increases during their contract period. This has been good news for members of our industry who have recently suffered declining sales, higher food/labor costs and narrower profit margins. In fact, about 20 percent of our members participate in the program, making it our second most popular cost-saving membership benefit. Why should small commercial customers now be punished by denying them the cost savings that choice has provided?

While proponents of re-regulation believe it will lead to cheaper rates, our members know that additional government regulation does not usually translate into cheaper prices and improved efficiency in the process. Furthermore, we do not believe that small commercial customers should bear the cost of subsidizing residential customers.

The bottom line is that deregulation has worked for many small commercial customers, as evidenced by the success of our MAAGIC program. We should not eliminate choice for commercial customers who have actually benefited from savings. For these reasons, we request that you **VOTE NO** on SB 844.

Respectfully submitted,

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