

SENATE BILL 423

C5
HB 890/21 – ECM

2lr2112

By: **Senator Hayes**

Introduced and read first time: January 26, 2022

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Natural Gas – Strategic Infrastructure Development and Enhancement –**
3 **Surcharge and Plans**
4 **(STRIDE Act of 2022)**

5 FOR the purpose of including infrastructure replacement project costs under the Strategic
6 Infrastructure Development and Enhancement Program in certain gas company
7 base rates during a multiyear rate plan; continuing an annual surcharge for eligible
8 future infrastructure project costs not included in certain gas company base rates
9 during a multiyear rate plan; and generally relating to natural gas and
10 infrastructure development and enhancement.

11 BY repealing and reenacting, with amendments,
12 Article – Public Utilities
13 Section 4–210(g)
14 Annotated Code of Maryland
15 (2020 Replacement Volume and 2021 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
17 That the Laws of Maryland read as follows:

18 **Article – Public Utilities**

19 4–210.

20 (g) (1) (i) A surcharge under this section shall be in effect for 5 years from
21 the date of initial implementation of an approved plan.

22 (ii) 1. Before the end of the 5–year period, the gas company shall
23 file a base rate case application.

24 2. In a base rate proceeding filed under subparagraph 1

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 of this subparagraph, if a plan approved by the Commission **TO INVEST IN**
2 **INFRASTRUCTURE REPLACEMENT PROJECTS** remains in effect:

3 A. eligible infrastructure project costs included in base rates
4 in accordance with a final Commission order on the base rate case shall be removed from a
5 surcharge; and

6 B. the surcharge mechanism shall continue for eligible future
7 infrastructure project costs that are not included in the base rate case.

8 **(III) DURING A MULTIYEAR RATE PLAN APPROVED BY THE**
9 **COMMISSION, IF A PLAN APPROVED BY THE COMMISSION TO INVEST IN**
10 **INFRASTRUCTURE REPLACEMENT PROJECTS REMAINS IN EFFECT:**

11 **1. EACH TIME A GAS COMPANY'S BASE RATES ARE**
12 **ADJUSTED, ELIGIBLE INFRASTRUCTURE PROJECT COSTS COLLECTED PREVIOUSLY**
13 **UNDER A SURCHARGE UNDER THIS SECTION SHALL BE INCLUDED IN THE BASE**
14 **RATES; AND**

15 **2. THE SURCHARGE SHALL CONTINUE FOR ELIGIBLE**
16 **FUTURE INFRASTRUCTURE PROJECT COSTS THAT ARE NOT INCLUDED IN THE BASE**
17 **RATES.**

18 (2) (i) If the actual cost of a plan is less than the amount collected under
19 a surcharge, the gas company shall refund to customers the difference on customer bills,
20 including interest.

21 (ii) If the actual cost of a plan is more than the amount collected
22 under the surcharge and the Commission determines that the higher costs were reasonably
23 and prudently incurred, the Commission shall authorize the gas company to increase the
24 surcharge to recover the difference, subject to the rate limit under subsection (d)(4) of this
25 section.

26 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June**
27 **1, 2022.**