SENATE BILL 423

By: Senator Hayes
Introduced and read first time: January 26, 2022
Assigned to: Finance

A BILL ENTITLED

AN ACT concerning

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

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

BY repealing and reenacting, with amendments,

Article – Public Utilities
Section 4–210(g)
Annotated Code of Maryland
(2020 Replacement Volume and 2021 Supplement)

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

Article – Public Utilities

4–210.

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

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

2. In a base rate proceeding filed under subsubparagraph 1
of this subparagraph, if a plan approved by the Commission TO INVEST IN INFRASTRUCTURE REPLACEMENT PROJECTS remains in effect:

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

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

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

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

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

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

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