



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

February 15, 2022

**Testimony of Senator Antonio Hayes in Support of
SB423 Natural Gas - Strategic Infrastructure Development and Enhancement - Surcharge
and Plans (STRIDE Act of 2022)**

Chairwoman Kelley and Members of the Finance Committee,

Senate Bill 423 is a technical bill that would alter the STRIDE mechanism, so that it operates with a multi-year rate plan consistent with how it operates under a traditional base rate case. Coupled with a multi-year plan, this legislation provides gas companies the regulatory framework to accelerate replacement of aging natural gas infrastructure.

The bill provides that eligible infrastructure project costs collected under a surcharge be included in base rates as part of rate adjustments made during a multi-year rate plan, with the surcharge continuing for eligible future projects that are not included in base rates.

Since the Maryland General Assembly enacted the original STRIDE bill in 2013, STRIDE has proven to be an effective program for replacement of aging gas infrastructure at an accelerated pace to address safety, reliability, and environmental concerns. Under STRIDE, Maryland's gas companies have replaced hundreds of miles of outdated pipes and reduced the time to complete this critical work by decades – but this work can still be completed faster.

Without this legislation, a gas company operating under a multi-year plan must reduce its pace to avoid the surcharge cap. This would delay the work underway to timely and efficiently upgrade the gas infrastructure system to ensure continued safety and reliability.

It is our responsibility as the Maryland Legislature and representatives of the citizens of this state to act in their best interest and prioritize safety. This bill simply ensures that the modernization of the gas system infrastructure has the ability to advance and improve safety and reliability regardless of the ratemaking mechanism.

Additionally, STRIDE has resulted in the creation of hundreds of jobs, which has positively contributed to the state's economy. Now that utilities are allowed to file for multi-year

rate plans, I want to ensure that STRIDE is able to operate with these plans, consistent with how it operates under a traditional rate base case.

I strongly urge a favorable report on SB 423.

Respectfully,



Senator Antonio L. Hayes
40th Legislative District - MD