

OPPOSE – House Bill 101
State Highway Projects – Removal, Relocation, and Adjustment of Utility Facilities Act of 2024
House Economic Matters Committee

Columbia Gas of Maryland, Inc. (Columbia) respectfully opposes House Bill 101 which requires the State Highway Administration (SHA) to provide notice to utilities for the removal, relocation or adjustment of their facilities for a State highway project. The legislation also invokes narrow timelines for the submission of facility relocation plans to SHA, narrow timelines for starting proposed relocation work, legal action against utilities, as well as penalties including costs that may not be recoverable through rates.

Columbia provides natural gas services to approximately 34,000 residential, commercial and industrial customers in the Western Maryland counties of Allegany, Garrett and Washington. The local leadership team in those counties have a strong relationship with SHA officials there and work well together. Columbia is unaware of any recent requests from SHA to move our facilities that have resulted in an SHA project delay or an issue. We are unaware of any need for this proposed legislation.

The removal, relocation or adjustment of utility facilities in the state right-of-way can be complex, costly, and unpredictable. Many issues factor into the ability of a utility to move its facilities. Issues such as:

- The availability of capital to pay for the relocation
- The availability of company or contractor crews to conduct the relocation work
- The availability of space in the right-of-way to cost-effectively relocate utility facilities
- If there is not space in the right-of-way, are private easements needed to relocate facilities
- If private easements are needed, are they easily obtainable at appropriate and reasonable prices, and
- The timely acquisition of all needed local, state and federal permits, many of which require extensive time intervals so as to permit public hearing and input before the permit-issuing agencies.

Due to these issues, the timeframes outlined in the proposed legislation are unrealistic. More troubling are provisions in the bill promoting litigation, financial penalties and costs on utilities that may be related to issues totally beyond their control. Enhanced communications, greater information sharing and increased coordination between utilities and SHA can resolve any issues this legislation seeks to address.

When government requires a public utility to remove, relocate, or adjust a utility's facilities, those relocation costs are appropriately recovered in rates pursuant to long-established rate making precedents. However, HB 101 eliminates the ability of utilities to recover these legitimate costs of responding to government requests and continuing the provision of energy services to customers in instances where, through no fault of a utility, facility relocation start is delayed beyond 60 days. This provision is inappropriate.

The requirements of HB 101 are problematic and consequently Columbia Gas cannot support HB 101 as appropriately crafted policy on utility line removal, relocation or adjustment related to SHA requests or projects. We therefore urge an unfavorable report.

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