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COMMITTEE: ECONOMIC MATTERS

TESTIMONY ON: HB 101 STATE HIGHWAY PROJECTS - REMOVAL, RELOCATION, AND ADJUSTMENT OF UTILITY FACILITIES - NOTIFICATION, WORK PLANS, AND COMPLIANCE

POSITION: OPPOSE

HEARING DATE: FEBRUARY 15, 2024

Washington Gas respectfully submits this statement in **OPPOSITION** to **House Bill 101**.

Washington Gas has been providing energy to residential, commercial, government, and industrial customers for more than 175 years. We proudly provide safe, reliable natural gas service to more than 1.2 million customers across the Washington metropolitan region, including more than 500,000 customers in Maryland. Washington Gas strives to be one of the safest and most innovative energy companies in the region, and the United States. At Washington Gas, we work daily on fulfilling our longstanding commitment to ensure we deliver energy safely, reliably and affordably to our customers.

Washington Gas recognizes that utility coordination is essential in the success of most State Highway Administration (“SHA”) projects. However, the proposed legislation creates challenges and untenable timelines for a utility company. Coupled with shortages in skilled labor and increased labor costs, utility relocation is very challenging. Utility relocation isn’t as simple as moving pipes and cables. It’s a multifaceted process involving meticulous planning, coordination with various stakeholders, and compliance with numerous regulations.

The legislation does not recognize a utility’s failure to begin work due to good cause, beyond the control of and not the fault of the utility, including, but not limited to, labor disputes, unavailability of materials on a national level, act of God, or extreme weather conditions.

The legislation relegates rate recovery to SHA. A utility’s rate recovery should be decided by the Public Service Commission (“PSC”), not SHA. The legislation also levies penalties including costs that may not be recoverable through rates.

The legislation fails to identify best practices and tools to streamline and expedite utility relocations when they are required as part of a State highway project, sets untenable timelines, imposes unspecified fines, and empowers rate recovery to SHA instead of the PSC. Rather than unnecessary legislation, enhanced communication and increased coordination between utilities and SHA can resolve any issues HB 101 seeks to remedy.

Washington Gas strongly requests an unfavorable vote on HB 101.

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