

**Testimony on: HB1253 – Gas Companies - Infrastructure Investments - Cost Recovery and Customer Notification (Break STRIDE Act)**

**Committee: Environment & Transportation**

**Submitting: Deborah A. Cohn**

**Position: Favorable**

**Hearing Date: March 10, 2026**

Dear Chair Korman, Vice Chair Guyton and Committee Members:

I am requesting that this Committee issue a favorable report on HB1253 - Break STRIDE Act.

The Strategic Infrastructure Development and Enhancement Plan (STRIDE) law was enacted in 2013, along with similar bills in other states, in response to a destructive gas explosion in California. It was intended to incentive gas utilities to fix aging pipeline infrastructure.

Nothing in STRIDE required that utilities target leaks, prioritize safety, or undertake only cost effective repairs. Utilities have taken advantage of the lack of that requirement to undertake unnecessary wholesale removal and replacement of older infrastructure rather than replacement of just the infrastructure that has weakened or been damaged and requires repairs to ensure safety. These unnecessary capital expenditures along with interest and a profit, then are paid back to utilities over many decades leading to rate increases without measurably improving service and safety.

Skyrocketing utility bills in 2025, and resentment toward unnecessary capital expenditures moved the General Assembly to pass the Ratepayer Protection Act (RPA) as part of the Next Generation Energy Act. The RPA directs gas pipeline spending to prioritize safety and be cost effective. It requires gas utilities to consider alternatives to replacement, including repair, relining, and non-pipeline alternatives. Washington Gas (WG) and Baltimore Gas & Electric (BGE) are simply ignoring that law. They take the position at the Public Service Commission (PSC) that they do not have to comply with the Ratepayer Protection Act or that the law does apply to them until they file a new STRIDE program or rate case. The PSC has been unwilling to stop the 2026 project work for either utility.

To this point, WG recently provided my community in Bethesda only a couple of months' notice either to terminate our gas service or have our gas lines totally replaced. WG is simply ignoring the law, and I am outraged. The utilities' financial incentives under STRIDE are taking precedence over the public interest. Something is terribly wrong. That's why I strongly support HB1253.

HB1253 repeals the surcharge for gas capital spending (which is currently being used by WGL) and prohibits the use of Multi Year Rate Plans, forecasted rates and other forms of "advance recovery" for gas capital work (which is being used by BGE). It requires gas utilities to prioritize safety, be cost effective and to demonstrate spending is just and prudent before charging customers by prohibiting forecasted ratemaking and advanced recovery for gas pipeline replacements.

The Maryland Office of the People's Counsel found that since 2014, gas utilities have spent more than \$2 billion under STRIDE on new gas infrastructure, and without intervention, Maryland gas utilities are expected to spend nearly \$8 billion more on STRIDE related projects. Maryland ratepayers will need to cover these costs, as well as additional return on investment profits for utilities, amounting to over \$41.5 billion over the life of the program.

But as shown above, WG and BGE are trying to delay its application. So I am asking you to send a clear message since the Ratepayer Protection Act apparently was not clear enough. Please issue a favorable report for HB1253 and do what it takes to repeal STRIDE this Session.