



March 6, 2026

Chair Marc Korman  
Members of the Environment and Transportation Committee

Re: Earthjustice **support** of HB 1253:  
Gas Companies - Infrastructure Investments - Cost Recovery and Customer  
Notification (Break STRIDE Act)

Earthjustice<sup>1</sup> strongly supports the passage of HB 1253, the Break STRIDE Act. The Break STRIDE Act ends the inappropriate financial incentive granted to gas utilities in Maryland through the gas pipeline infrastructure replacement program (referred to as Strategic Infrastructure Development and Enhancement or “STRIDE”). Over the years since the STRIDE program’s adoption, the program has incentivized gas utilities to substantially overinvest in new infrastructure without requiring that infrastructure spending to prioritize safety. Ending the STRIDE program will save ratepayers billions of dollars without adversely impacting safety. Specifically, the Breaking STRIDE Act will:

- Repeal the STRIDE law;
- Require gas utilities to prioritize the safety of the gas system;
- Require ALL gas system spending to be cost effective and include analysis of alternatives to replacement including repair, relining, and non-pipeline alternatives; and,
- Prohibit forecasted or multi-year ratemaking for gas pipeline replacements.

In 2013, the Maryland General Assembly enacted the STRIDE statute which authorizes Maryland gas utility companies to file and the Public Service Commission to approve infrastructure investment plans and corresponding cost-recovery schedules. It is important for the Committee to understand that **STRIDE is not a safety program**, it is a financing mechanism

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<sup>1</sup> Earthjustice is a non-profit public interest environmental law organization that represents other non-profits free of charge. Earthjustice uses the power of law and the strength of partnerships to advance clean energy, combat climate change, protect people’s health and preserve magnificent places and wildlife.

which allows gas utilities to recover a substantial portion of their gas pipeline replacement expenditures through a monthly surcharge rather than wait for a rate proceeding. The STRIDE law did not establish any new or different safety requirements. STRIDE did not change the utility's obligation to provide safe service, the law simply enables gas utilities to recover funds spent on gas pipeline replacement from ratepayers more quickly.

The utilities current wholesale approach to infrastructure replacement is largely unconnected to safety considerations but is instead apparently designed to maximize utility profits. This disconnect was clearly demonstrated in Baltimore Gas & Electric Company's ("BGE") last rate case.

During BGE's rate proceeding, BGE's own testimony established that the Company uses informal, undocumented processes for gas pipeline project selection. Remarkably, BGE has no written documentation regarding how specific projects are selected for inclusion in the STRIDE program. According to BGE's witness, the Company considers a variety of factors and uses engineering judgement to determine which projects are ultimately considered for replacement. The Company does not have specific documents or procedures directing employees on how to select a project. BGE provided a list of 12 *unprioritized* factors that may be considered. Thus, BGE concedes that replacing leaky pipes is not even a priority over other factors. Equally disconcerting, BGE does not identify specific assets for replacement more than a year in advance. This lack of process means that there is no transparency regarding how the selections were made or whether better choices could have and should have been made.

Moreover, BGE seeks to replace all its gas infrastructure assets under the scope of the program, regardless of relative risk and cost comparisons. A goal of the STRIDE program should be to maximize safety, reliability, and environmental benefits for the ratepayer dollars spent. Instead, BGE plans to spend up to a given cap per year on as much pipeline replacement as it can achieve in that timeframe.

Finally, since pipeline replacement is the only action considered by the gas utilities, the companies apparently never seriously contemplate any alternatives to pipeline replacement, such as pipeline repair and non-pipeline alternatives. These alternatives would be more cost-effective and engender less risk of stranded costs. Gas pipeline replacement programs are expensive, install long-lived assets, and are built on the assumption that the gas system's future needs will be the same or very similar to the system's present needs, an assumption that is clearly at odds with the State's changing energy landscape and Maryland's climate mandates.

Cost-effective alternatives can meet safety and reliability needs of ratepayers while reducing stranded cost risk. However, in PSC proceedings gas companies fail to even identify those alternatives—let alone consider pursuing them. This failure means that ratepayers will pay more for improvements in safety and reliability than they would have had the utilities considered options other than replacing pipes. The utilities failure to consider any alternatives to pipeline replacements, which locks in place costly and long-lasting infrastructure, is not in the public interest.

For example, fixing pipes can often be a lower-cost alternative to replacement. But fixing pipes is not profitable for the utilities because fixes are operational costs, not capital investments on which utilities earn a profit. Because STRIDE only allows accelerated cost recovery for replacement projects that earn a return, the law has inadvertently disincentivized utilities from repairing pipes rather than replacing the pipes.

Under the STRIDE program, Maryland gas utilities are on track to spend tens of billions of dollars **replacing their entire local distribution systems** and expanding pipeline capacity. BGE is approximately eight years into its gas pipeline replacement plan, which is expected to be completed around 2039. If the STRIDE program is not eliminated, Maryland gas utilities are expected to spend nearly \$8 billion on STRIDE related projects and charge customers a projected \$41.5 billion to pay it back when the utilities profit margin is included. The STRIDE program has and will continue to saddle Maryland ratepayers with millions of dollars in stranded costs that will take decades to repay.

In 2025, the General Assembly passed the Ratepayer Protection Act as part of the Next Generation Energy Act (“NGEA”). That law went into effect on June 1, 2025, and required gas utilities to prioritize safety and demonstrate cost effectiveness for gas capital work. Since the law went into effect, Washington Gas, and BGE have both argued at the Public Service Commission (PSC) that they either do not have to comply with the law at all or that the law does apply to them until they file a new STRIDE program or a rate case. Both utilities proposed “business as usual” gas pipeline replacement plans for 2026.

Initially, the PSC agreed with the Maryland Office of People’s Counsel, the Maryland Energy Administration, and consumer and climate advocates, finding that Washington Gas should be required to meet the STRIDE standards of the NGEA for its 2026 gas pipeline replacements, except where construction had already begun. However, in February, the PSC reversed this decision and allowed Washington Gas to continue its 2026 STRIDE work plan. Instead of implementing the new STRIDE provisions, the Commission directed its Staff to draft regulations for the law. This directive was not issued until over eight months after the new STRIDE provisions became effective. Given the lengthy process necessary for the Commission to adopt regulations, the important ratepayer protections adopted in the NGEA will not even begin to be implemented until over a year and a half after the new law has become effective, if not longer.

Adoption of the Break STRIDE will force the utilities to focus their infrastructure programs on the safety of the gas system. Moreover, requiring the utilities to compare the costs of proposed replacement projects with alternatives to replacement will ensure that safety and reliability is achieved in the most cost-effective manner. A pipe replacement program that properly prioritizes leaks will cost less, thus resulting in smaller bill increases, while actually making Marylanders safer. Ending the STRIDE program should be an important component of the Committee’s affordability goal.

Finally, Earthjustice thanks Delegates Behler, Boafo, Allen, Charkoudian, Embry, Lewis, Ruff and Ruth for their leadership on this important issue.

Earthjustice strongly urges a favorable report for HB 1253.

Thank you in advance for your support. Should you have any questions, please contact me at [smiller@earthjustice.org](mailto:smiller@earthjustice.org).

Respectfully submitted,

A handwritten signature in blue ink that reads "Susan Stevens Miller". The signature is written in a cursive style.

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Susan Stevens Miller  
Senior Attorney  
Earthjustice