

HB1253_Break_STRIDE_Act_FAV.pdf

Uploaded by: Cecilia Plante

Position: FAV



TESTIMONY FOR HB1253
Gas Companies - Infrastructure Investments - Cost Recovery and Customer
Notification (Break STRIDE Act)

Bill Sponsor: Delegate Behler

Committee: Environment and Transportation

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of HB1253 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists, and our Coalition supports well over 30,000 members.

The STRIDE law of 2013 provided gas utilities with a financial incentive to replace gas pipes and equipment. But nothing in the law required that utilities target leaks, prioritize safety, or be cost effective in their work. The result has been excessive spending and profits for the utilities, leading to massive gas delivery rate hikes without commensurate safety improvements. Maryland gas utilities have already spent over two billion dollars to replace gas pipes and equipment.

Despite the state trying to reign in the utilities by passing more stringent requirements for gas pipeline spending, not much has changed, and the utilities are spending the same excessive amounts to fix pipes that don't need fixing. We clearly need to smack the utilities over the head to get them to stop wasting our money.

This bill, if enacted, would protect rate payers by -

- Repealing the STRIDE law
- Requiring gas utilities to prioritize the safety of the gas system for all gas pipeline spending;
- Requiring gas system spending to be cost effective and include analysis of alternatives to replacement including repair, relining, and non-pipeline alternatives
- Requiring gas utilities to demonstrate spending is just and prudent before charging customers by prohibiting forecasted ratemaking and advanced recovery for gas pipeline replacements.

We strongly support this bill and recommend a **FAVORABLE** report in committee.

HB1253 - OPC Testimony.pdf

Uploaded by: David Lapp

Position: FAV

DAVID S. LAPP
PEOPLE'S COUNSEL

WILLIAM F. FIELDS
DEPUTY PEOPLE'S COUNSEL

JULIANA BELL
DEPUTY PEOPLE'S COUNSEL

— OPC —
OFFICE OF PEOPLE'S COUNSEL
State of Maryland

6 ST. PAUL STREET, SUITE 2102
BALTIMORE, MARYLAND 21202
WWW.OPC.MARYLAND.GOV

BRANDI NIELAND
DIRECTOR, CONSUMER
ASSISTANCE UNIT

CARISSA RALBOVSKY
CHIEF OPERATING OFFICER

BILL NO.: House Bill 1253 – Break STRIDE Act
COMMITTEE: Environment and Transportation
HEARING DATE: March 10, 2026 (ENT)
SPONSOR: Delegates Behler, Boafu, Allen, Charkoudian, Embry, Lewis,
Ruff, and Ruth
POSITION: Favorable

The Office of People’s Counsel (OPC) respectfully offers the following comments in support of House Bill 1253, the Break STRIDE Act. HB 1253 would repeal the Strategic Infrastructure Development and Enhancement (STRIDE) law and prevent gas utilities from using multi-year rate plans to circumvent the repeal. In doing so, HB 1253 would save gas customers billions of dollars in the decades ahead.

The General Assembly enacted STRIDE in 2013.¹ The law incentivizes gas utilities to replace older gas infrastructure by allowing them to recover spending on gas infrastructure replacements on an accelerated basis. Prior to STRIDE, gas utilities generally could not bill customers for infrastructure replacement projects until after the projects were in service and had been reviewed by the Public Service Commission (PSC). Under STRIDE, however, gas utilities charge customers for the estimated costs of projects while the company is carrying them out. STRIDE programs are carried out through PSC-approved five-year plans; the PSC may review and rescind its approval of a STRIDE five-year plan at any time.² The STRIDE law gives the utilities an easier and faster method of recovering gas infrastructure costs from customers—and this incentivizes faster gas infrastructure spending and therefore faster rate increases.

In 2022, OPC released a report documenting how much the State’s three largest gas utilities—Baltimore Gas and Electric Company (BGE), Washington Gas Light

¹ 2013 Md. Laws Ch. 161 (S.B. 8) (codified at Md. Code Ann. Pub. Util. (“PUA”) § 4-210).

² PUA § 4-210(j).

(Washington Gas), and Columbia Gas of Maryland (Columbia)—had spent on capital investments since 2014, both under STRIDE spending plans and outside of them, and made conservative projections of future utility spending based on the companies’ own stated plans and filings with the PSC.³ [The third edition of the report](#), released in February 2025, shows that through 2023, Maryland’s gas utilities spent just under \$2.1 billion on new gas infrastructure under the STRIDE program and that they are on track to spend another \$7.2 billion by 2043 to complete their programs. At that point, ratepayers will have paid over \$11.3 billion in STRIDE costs—including utility profits—on their gas utility bills. If STRIDE spending is allowed to continue unchecked, ratepayers can be expected to pay a total of more than \$31 billion by 2100. The table below summarizes these impacts.

\$ Millions	STRIDE Investments		Costs to Ratepayers	
	2014-2023	2024-2043	2014-2043	2014-2100
Columbia	\$171.02	\$0.00	\$449.33	\$389.04
Washington Gas	\$598.66	\$4,239.89	\$4,547.39	\$17,718.39
BGE	\$1,304.64	\$2,991.29	\$6,314.74	\$13,229.40
Total	\$2,074.33	\$7,231.18	\$11,311.47	\$31,336.83

Last year, the legislature passed SB 937, the Next Generation Energy Act (NGEA). That law enacted modest but important changes to the STRIDE law to ensure that STRIDE spending plans focus on the riskiest gas infrastructure, evaluate less costly alternatives to pipeline replacement, and are consistent with Maryland’s climate policies. In amending STRIDE, the General Assembly sought to reduce uninhibited gas infrastructure spending and align such spending with advances in technology and changes to energy policy that are driving electrification and reducing natural gas consumption.

But it is now almost a year since the NGEA took effect—and little has changed. Despite the modest nature of the NGEA’s changes, gas utilities—primarily Washington Gas and BGE—are proceeding with their pipeline replacement programs on a “business as usual” basis, and the PSC has not yet required them to modify any of their plans or operations.

Since the NGEA went into effect on June 1, 2025, OPC has urged the PSC to implement the law expediently. But Washington Gas, which was in the second year of its third five-year STRIDE plan (2024-2028) when the NGEA was enacted, has repeatedly

³ *Maryland Gas Utility Spending: Projections and Analysis of Future Capital Investments*, Third Edition (Feb. 2025) available at <https://opc.maryland.gov/Gas-Utility-Spending-Report>.

argued to the PSC that its current STRIDE plan need not comply with the NGEA.⁴ Washington Gas further argued that even if the NGEA did apply, its existing STRIDE plan—written before the NGEA even existed—already complied with the NGEA’s requirements⁵ and asked the PSC to accept at face value mere conclusory statements to that effect without providing any actual data or analysis that demonstrated compliance.⁶ The PSC recently deferred judgment on whether Washington Gas’s planned 2026 STRIDE projects comply with the NGEA while approving them at the same time. This allows another year of business-as-usual projects⁷ and another \$60 million of accelerated spending.⁸ In lieu of any immediate decision or change to Washington Gas’s STRIDE plan, the PSC initiated a rulemaking to develop proposed regulations to establish STRIDE plan NGEA compliance standards.⁹

Meanwhile, BGE has entirely circumvented any application of the NGEA to its own accelerated gas infrastructure replacement and cost recovery program—Operation Pipeline—because rather than a formal STRIDE plan, BGE is doing Operation Pipeline through its multi-year rate plan.¹⁰ In 2023—the last year BGE had an official STRIDE plan that was not done through its multi-year rate plan—BGE spent \$132 million on accelerated gas infrastructure replacement.¹¹ BGE projects that in 2026 it will spend \$142

⁴ See Washington Gas, Washington Gas Light Company's Application for Approval of a New Gas System Strategic Infrastructure Development and Enhancement Plan and Accompanying Cost Recovery Mechanism, *WGL STRIDE NGEA Compliance Filing*, Maillog (“ML”)# 325541 (Case No. 9708, Dec. 20, 2025) at 1-2 (stating that “[t]here is simply no requirement in the NGEA that requires the [PSC] to retroactively impose new requirements onto previously approved plans. Rather, if a gas company submits a new plan for approval, it must conform to the NGEA.”).

⁵ *Id.* at 1, 3.

⁶ OPC, Washington Gas Light Company’s Application for Approval of a New Gas System Strategic Infrastructure Development and Enhancement Plan and Accompanying Cost Mechanism Recovery, *Comments on Washington Gas’s NGEA Compliance Filing*, ML# 326739 (Case No. 9708, Jan. 30, 2026) at 2.

⁷ Md. Pub. Serv. Comm’n, Order No. 92207, Washington Gas Light Company’s Application for Approval of a New Gas System Strategic Infrastructure Development and Enhancement Plan and Accompanying Cost Mechanism Recovery (Case No. 9708, Feb. 26, 2026).

⁸ Washington Gas, Washington Gas Light Company’s Application for Approval of a New Gas System Strategic Infrastructure Development and Enhancement Plan and Accompanying Cost Mechanism Recovery, *2026 STRIDE Current Factor and 2026 STRIDE Project List*, ML# 323889 (Case No. 9708, Oct. 31, 2025) at 3.

⁹ Md. Pub. Serv. Comm’n, Order No. 92207, Washington Gas Light Company’s Application for Approval of a New Gas System Strategic Infrastructure Development and Enhancement Plan and Accompanying Cost Mechanism Recovery (Case No. 9708, Feb. 26, 2026).

¹⁰ See BGE, Petition of the Office of People’s Counsel for Near-Term, Priority Actions and Comprehensive, Long-Term Planning for Maryland’s Gas Companies, BGE Reply Comments, ML# 322350, (Case No. 9707, Sept. 12, 2025) at 2.

¹¹ BGE, In the Matter of the Application of Baltimore Gas and Electric Company for Approval of a New Gas System Strategic Infrastructure Development and Enhancement Plan and Accompanying Cost Recovery Mechanism, *Errata to its STRIDE 2023 Program Project Cost Variance information and True Up*, ML# 308763 (Case No. 9468, Apr. 3, 2024).

million on Operation Pipeline projects.¹² And the Commission has yet to take any action on requests by OPC to police BGE’s accelerated pipe replacement program based on the NGEA’s requirements.¹³ BGE is operating in a legal loophole, executing a STRIDE-like program for all intents and purposes, without any demonstration that it is adhering to any of the NGEA’s new requirements for STRIDE programs.¹⁴

As a result, the NGEA has not had the desired effect of putting guardrails on STRIDE spending. Instead, gas utilities have continued business-as-usual operations without regard for the NGEA’s intended guardrails.

HB 1253 would repeal STRIDE in its entirety. Repeal is reasonable and appropriate because STRIDE programs are driving up utility rates and contributing to an energy affordability crisis and all necessary work can continue without STRIDE. It is not logical to encourage the *accelerated* replacement of the entire gas delivery system at a time when technological and economic realities and State climate policy all trend toward electrification. Doing so puts utility customers at risk of paying for billions of dollars of unnecessary, long-lived gas infrastructure at a time when customers are struggling with their existing utility bills. And the experience of the last year has shown that the gas utilities will use every tool at their disposal to delay and prevent STRIDE reforms from having any meaningful impact on their capital spending. Thus, outright repeal of STRIDE is a necessary measure to limit the gas utilities’ runaway capital spending and help mitigate future increases to customer bills.

In addition to repealing the STRIDE law, HB 1253 also prevents gas utilities from using multi-year rate plans or alternative forms of ratemaking to recover the costs of gas infrastructure replacement projects. In other words, gas utilities would be required to submit standard historic test-year rate cases to recover capital costs, rather than using multi-year rate plans. Express language covering alternative forms of ratemaking is necessary because (1) it would close the loophole BGE is currently exploiting to run what amounts to a STRIDE program without any of the requirements of STRIDE, (2) it would have the effect of requiring gas companies to demonstrate the prudence of their

¹² BGE, Baltimore Gas and Electric Company's Application for an Electric and Gas Multi-Year Plan, *2026 Capital and O&M Project Lists and Operation Pipeline Project Lists*, ML# 326777 (Case No. 9692, Feb. 2, 2026) at Attachment 10.

¹³ See OPC, Petition of the Office of People’s Counsel for Near-Term, Priority Actions and Comprehensive, Long-Term Planning for Maryland’s Gas Companies, *Request of Maryland Office of People’s Counsel for Clarification and Comments on Preliminary Matters*, ML# 322166 (Case No. 9707, Sept. 5, 2025) at 9; and OPC, Petition of the Office of People’s Counsel for Near-Term, Priority Actions and Comprehensive, Long-Term Planning for Maryland’s Gas Companies, *Comments of the Office of People’s Counsel*, ML# 318634 (Case No. 9707, May 6, 2025) at 8, n. 26.

¹⁴ In comments responding to OPC’s request to the PSC that it apply the NGEA to BGE’s pipeline replacement program, BGE stated, “BGE is not currently operating under a STRIDE plan so the changes to §4-210 of the Public Utilities Article (PUA) have no impact.” BGE Reply Comments, ML# 322350, (Case No. 9707, Sept. 12, 2025) at 2.

investments in order to recover costs, rather than the multi-year rate plan paradigm where prudence is essentially assumed upfront and utilities immediately recover costs. This language governing alternative forms of ratemaking closes loopholes and legal ambiguities that could allow utilities to continue business as usual while the PSC attempts to develop rules.¹⁵ HB 1253 clarifies that gas infrastructure replacement project costs have to be recovered through standard rate cases. Utilities are not entitled to multi-year rate plans. As always, the gas utilities retain the core obligation to provide safe and reliable service.¹⁶ HB 1253 would not change this.

To provide customers with ample prior notice to electrify and turn down the service upgrade, rather than wasting resources and imposing costs on customers for replacing a soon-to-be unused service, HB 1253 would also require gas utilities to provide at least two years of advance notice to customers prior to construction of a planned gas infrastructure investment. Given the economics of highly efficient electric appliances, concerns about safety and health, as well as Maryland’s climate policy goals and government incentives for customers to electrify—not to mention the disruption that gas infrastructure projects bring to people’s daily lives and impacts it has on their property—a gas utility should be required to notify customers far enough in advance to allow customers time to consider electrifying their appliances and prevent stranded costs. It can take many months for customers to investigate incentive programs, contact and select HVAC contractors, apply for loans, and wait for the contractor to do the work. Two years of advance notice is appropriate and provides customers with the time necessary to properly assess their options and plan to electrify, should they choose to do so.

Recommendation: OPC requests a favorable Committee report on HB 1253.

¹⁵ For example, if HB 1253 instead said that gas utilities were not allowed to “recover the costs of *accelerated* gas infrastructure replacement projects using an alternative form of regulation,” this language could be subject to endless debate over what level of spending was “accelerated” or not. For example, BGE could argue that its \$142 million/year spending on Operation Pipeline is not “accelerated” because BGE has been using accelerated cost recovery mechanisms for many years now.

¹⁶ PUA § 5-303. This obligation is part of the extensive regulation companies are subject to as public service companies.

Testimony DAC HB1253_Break STRIDE Act_FAV_ EnT.pdf

Uploaded by: Debbie Cohn

Position: FAV

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.

HB1253_Behler_FAV.pdf

Uploaded by: Dylan Behler

Position: FAV

DYLAN BEHLER
Legislative District 30A
Anne Arundel County



The Maryland House of Delegates
6 Bladen Street, Room 154
Annapolis, Maryland 21401
410-841-3045
800-492-7122 Ext. 3045
Dylan.Behler@house.maryland.gov

Environment and Transportation
Committee

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Agriculture and Aquaculture

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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

March 10, 2026

**Testimony in Favor of HB1253
Gas Companies - Infrastructure Investments - Cost Recovery and Customer Notifications
(Break STRIDE ACT)**

Dear Chair Korman, Vice-Chair Guyton, and Members of the Environment and Transportation Committee:

I respectfully request a favorable report of House Bill 1253 which, if passed, has the potential to save ratepayers a tremendous amount of money. It would save our ratepayers money by:

1. Repealing the STRIDE law in its entirety.
2. Explicitly prohibiting a utility from recovering the costs of gas infrastructure replacements through alternative forms of regulation such as multi-year rate plans and forecasted rates.
3. Maintaining the requirements for customer notification, safety, and cost effectiveness, and alternatives assessments related to gas infrastructure improvements that were passed in the Next Generation Energy Act last year.

We've heard a lot about the Strategic Infrastructure Development and Enhancement Plan (STRIDE) this session and last session, but as a quick reminder, STRIDE was originally passed in 2013 as a mechanism to provide our utilities with accelerated cost recovery for gas infrastructure projects. Since its passage, we have seen utilities spend more than \$2 billion with projections of spending nearly \$8 billion dollars total – which in turn would lead to a \$40+ billion dollar cost to ratepayers.

It is also important to remember our conversations in the various briefings throughout the beginning of this session related to utility spending and utility profits. The vast majority of utility profit is driven by distribution-level spending including infrastructure spending *and not related to* the actual supply costs of gas and electricity. The STRIDE law increases utility profits by giving utilities accelerated cost recovery of such infrastructure spending. **It has allowed and will continue to allow our utilities to see profits at an accelerated rate.**

If we pass this bill, this is what we would be saying:

1. **STRIDE and accelerated recovery of gas infrastructure spending has driven up customer rates while allowing our investor-owned utilities to receive exorbitant profits on the backs of ratepayers and we can't allow it to continue.**

- 2. With energy bills at unaffordable levels, ratepayers should not be subject to unnecessary mechanisms to give utilities faster cost recovery that just leads to faster increases in rates and energy bills.**

Under STRIDE, accelerated cost recovery is granted *prior to or concurrently with* ongoing work – historically, that would have been incorporated into rate setting proceedings after the work is completed. Because of this reverse structure, we, the ratepayers, are taking on greater risks of this investment. It should not operate that way, and when we take on the risk, and provide a guaranteed accelerated return, the utilities are far more likely to make unnecessary and unneeded investments further perpetuating a cycle of ever-increasing rates.

- 3. We are solving this problem now, before it becomes exponentially worse.**

According to analysis from the [Office of the People's Counsel](#), without intervention, and if gas commodity rates reflect the current 5-year average, the average BGE gas customer will see their winter gas bill increase 67% by 2035 and double by 2050. For Washington Gas, we can expect bills to increase 32% by 2035 and 76% by 2050. For example a customer who paid a \$400 winter bill this year would be paying \$800 to BGE or \$700 to WGL by 2050.

In testimony I usually don't reference what a bill doesn't do – but with what you will hear from utilities, I think it is very important to be clear as to what this bill doesn't do.

- 1. This legislation does not go against the reforms to STRIDE last year in the Next Generation Energy Act – but rather it builds off of those reforms.**

Last session we made progress on reigning in STRIDE through the Next Generation Energy Act. In that bill, we required gas utility companies to prioritize replacement based on risk, use alternatives to replacement where less costly, and provide notice to customers should customers want to electrify to avoid costs of infrastructure replacement.

Those provisions went into effect in June 2025, and since then our utilities have argued before the Public Service Commission (PSC) that they do not have to comply with the law or that the law does apply to them until they file a new STRIDE program or rate case.

This bill would build off of that legislation by fully repealing the STRIDE law and surcharge, since it is clear that our utilities do not want to operate under the rules of the road that we passed last year. Additionally, this legislation would maintain the protections for nonpipeline alternatives and notification requirements we passed last year.

- 2. This legislation does not prevent investor-owned utilities from making necessary investments for safety and reliability.**

We need to be incredibly clear that nothing in this bill prevents a utility from making necessary investments for safety related reasons – it is a core, legal obligation of theirs to do just that. But what this bill is saying is that they should not receive an accelerated return on that infrastructure spending, and in turn an accelerated profit.

If this bill were to pass, we would go back to typical historic rate setting procedures where utilities attract investors and spend on infrastructure, come to the PSC and present

that information, and then receive the approval to increase rates and earn a return appropriately.

3. This legislation does not make it harder for investor-owned utilities to meet United States Pipeline and Hazardous Materials Safety Administration (PHMSA) requirements.

Nothing in this law changes the utilities' state and federal legal obligations on safety; in fact it makes them stronger. All it does is return to a well-tested form of financing for infrastructure projects. The utilities can still replace pipes, get their costs recovered, and earn a profit. They can also comply with PHMSA's requirements using methods other than replacing pipes.

Additionally, you will likely hear that there is a \$2 surcharge cap for STRIDE cost-recovery per month – while that is true, it does not meaningfully work in practice as the surcharge is reset in each rate with the prior surcharge costs added to the utilities' rate base. The \$2 surcharge, which Washington Gas still uses, amounts to a small downpayment on a much larger bill. In other words, the utility can reset the surcharge with the prior costs being moved into base rates whenever it wants. Columbia Gas reset the STRIDE surcharge every year for 9 straight years by filing a rate case each year. Columbia Gas' rates have grown from 30 cents/therm in 2013 to \$1.24 in 2025—a fourfold increase over 12 years.

For BGE, all STRIDE spending has been moved to their multi-year rate plan, which functions in a similar way. I want to also recognize the amendment that was offered by the Speaker during her bill hearing which would prevent the use of a *forecasted test year* as an alternate form of regulation. That means that rates cannot be set based on utilities' projected costs. Instead rates are set based on historical *or actual* spending. The STRIDE program operates the same as a forecasted test year, just one that's limited to gas infrastructure replacement. Without STRIDE, gas replacement work will continue, but be recovered in rates based on historic, actual spending on work completed. Returning to this standard ratemaking strengthens scrutiny on spending and reduces the incentive to overspend. Future, or projected spending, on the other hand, as provided through STRIDE and multi-year rate plans, increases the incentive to spend excessively and wastefully, driving up spending, rates, and profits.

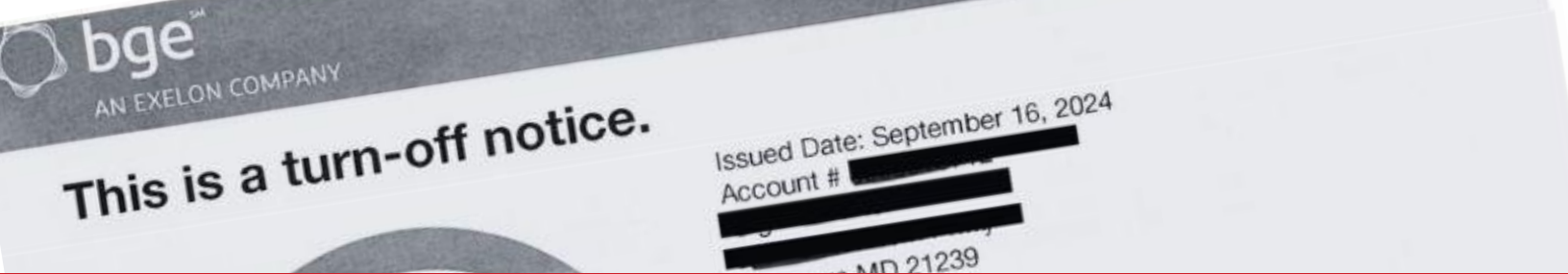
That amendment goes hand in hand with this legislation because under this bill, all gas utility capital spending would go back to typical rate setting processes.

With all of this in mind, the Break STRIDE Act, has the opportunity to greatly reduce the ever-increasing costs that our ratepayers are experiencing and I would respectfully request a favorable report of House Bill 1253.

HB1253 BREAK STRIDE Factsheet 3.2 (1).pdf

Uploaded by: Emily Scarr

Position: FAV



ENFORCE THE RATEPAYER PROTECTION ACT: BREAK STRIDE

To protect gas customers from excessive utility bills and improve pipeline safety.

Del. Dylan Behler: HB1253

Background

Leaks from gas pipes put our communities at risk and emit toxic pollution that harms our health and planet.

Gas utilities are legally required to maintain the safety of the gas system regardless of financial incentive.

The STRIDE law of 2013 provided gas utilities with a financial incentive to replace gas pipes and equipment. But nothing in the law required that utilities target leaks, prioritize safety, or be cost effective in their work.

The result has been excessive spending and profits for the utilities, leading to massive gas delivery rate hikes without commensurate safety improvements.

Maryland gas utilities have already spent over two billion dollars to replace gas pipes and equipment.



Without intervention, 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, driven in large part by utility profits.

The Ratepayer Protection Act

In 2025 Governor Moore signed a new law to direct gas pipeline spending to prioritize safety and be cost effective. The law went into effect June 1st and requires gas utilities to consider alternatives to replacement including repair, relining, and non-pipeline alternatives.

But Washington Gas and BGE are already arguing they don't have to change their plans and can continue with business as usual, and the PSC has yet to intervene. We need the legislature to protect gas customers from excessive utility bills and improve pipeline safety.

A pipe replacement program that properly prioritizes leaks would cost less, meaning smaller bill increases, while actually making us safer.

The Break STRIDE Act will follow through on the promise of the Ratepayer Protection Act by:

- Repealing the STRIDE law;
- Requiring gas utilities to prioritize the safety of the gas system for all gas pipeline spending;
- Requiring gas system spending to be cost effective and include analysis of alternatives to replacement including repair, relining, and non-pipeline alternatives; and,
- Requiring gas utilities to demonstrate spending is just and prudent before charging customers by prohibiting forecasted ratemaking and advanced recovery for gas pipeline replacements.

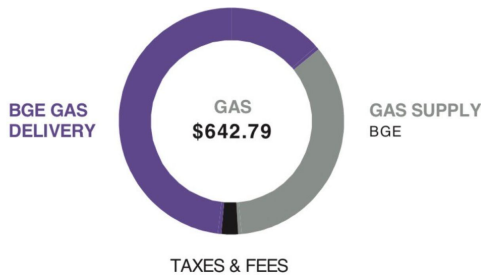


BGE's Operation Pipeline

BGE has spent \$1.4 billion on "Operation Pipeline," its gas pipeline replacement program. If BGE completes its proposed \$4 billion in gas pipeline spending it could cost customers \$19.5 billion to pay back.

When gas utilities install new pipes, customers pay it back over the full projected lifetime of the equipment, like a mortgage or high interest credit card, with compounding interest. It drives up our bills for decades to come.

Due in large part to massive STRIDE spending BGE gas customers have seen their delivery rates triple since 2010. Today, BGE gas customers pay BGE nearly \$2 in delivery charges for every \$1 they spend on gas to heat their home.



At the same time, BGE's profits have nearly quadrupled from \$147 million in 2010 to \$578 million in 2025.



Safety does not come first

Maryland PIRG's report [Fast-Tracked and Flawed](#) found that BGE is not adequately prioritizing safety in Operation Pipeline, and that the program may actually be slowing the work to repair or replace the most at-risk pipes.

Originally, the STRIDE law had no requirements on safety. That changed in 2025. But BGE is continuing the works without making any changes.

With Operation Pipeline, BGE has chosen to prioritize costly pressure conversions. The pressure conversion strategy requires the replacement of non-at risk materials. In 2025, 15% of the mains and more than 40% of the service lines being replaced were lower risk materials like plastic. The company's 2026 plan is much the same.

BGE is also under [active investigation at the PSC](#) for failures of the gas pipeline safety inspection program.

A canary in the coal mine

There's still time to protect Washington Gas customers from the worst of these massive rate hikes. But without intervention, all Maryland gas customers' rates will continue to rise, making home heating with gas increasingly unaffordable.

WGL just filed for a \$82.5 million rate hike. And according to OPC, If WGL completes its proposed \$3.9 billion in gas pipeline spending it could cost customers \$22 billion to pay back.



HB1253_BreakSTRIDEAct_MDPIRG_FAV.pdf

Uploaded by: Emily Scarr

Position: FAV

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

Environment and Transportation

March 10th, 2026

Emily Scarr, Maryland PIRG

Favorable

Maryland PIRG is a state based, small donor funded public interest advocacy organization with grassroots members across the state. We work to find common ground around common sense solutions that will help ensure a healthier, safer, more secure future.

Maryland PIRG, along with more than a dozen organizations, supports the Break STRIDE Act (HB1253).

The STRIDE law was passed with the intent of providing financial incentives for gas utilities to more proactively fix their aging gas infrastructure; unfortunately, it lacked critical safeguards on spending, exacerbating an existing incentive to overinvest in new infrastructure. To make matters worse, the law also lacked language requiring spending to prioritize safety. For over a decade, gas companies have used the STRIDE law to pursue expensive projects that do not appear to prioritize safety and may be delaying the work to address the riskiest pipes, collecting excessive profits along the way.

Maryland gas utilities have already spent over two billion dollars to replace gas pipes and equipment.

Without intervention, 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, driven in large part by utility profits.



HB1253 fully repeals the STRIDE law and surcharge and:

- Requires utilities to pay for all gas capital spending through investor dollars or debt and then justify the prudence of the spending through a rate case to be eligible for cost-recovery.
- Prohibits advanced recovery of gas capital spending through multi-year rate plans or other forms of forecasted rates.
- Requires gas utilities to prioritize safety, demonstrate cost effectiveness, consider alternatives to replacement, and provide notice of gas infrastructure work, as already required by the ratepayer protection act.

Gas utilities are, and have always been, legally required to maintain the safety of the system, including making necessary repairs and replacement without additional profits or financial incentives. For the reasons alone, the financial incentives within the STRIDE law should be repealed. While they may argue that removing these financial incentives will make it difficult to raise sufficient funds to do the work, there

is no evidence to back up this claim, and in fact evidence suggests that it is not true. As explained by economist Mark Ellis in testimony to the Arizona Corporate Commission, the average expected long-term aggregate market return is 6.06%¹. This is 38% lower than the 9.74% average return on equity (ROE) authorized for regulated utilities across the country - even though utilities are one of the least risky industries. Existing, or substantially lower returns are enough to drive investment for utility capital costs, and suggest that the state could repeal STRIDE and bring ROE down by several points and still be able to attract investors.

In 2025, the General Assembly passed the Ratepayer Protection Act as part of the Next Generation Energy Act. That law went into effect in June 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 do not have to comply with the law or that the law does apply to them until they file a new STRIDE program or rate case. Both have proposed “business as usual” gas pipeline replacement plans for 2026 and the PSC has been unwilling to stop the 2026 project work for either utility.

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Given the utilities’ unwillingness to comply with the law, and the PSC’s delay in requiring them to do so, it is important that the legislature stop financial incentives for gas pipeline work that are encouraging wasteful spending, HB1253 repeals the surcharge for gas capital spending (which is currently being used by WGL) and prohibits the use of MYRPs, forecasted rates and other forms of “advance recovery” for gas capital work (which is being used by BGE). To be clear: Maryland PIRG also supports ending these additional financial incentives for ALL capital spending, not just gas, as has been proposed as an amendment to HB1532.

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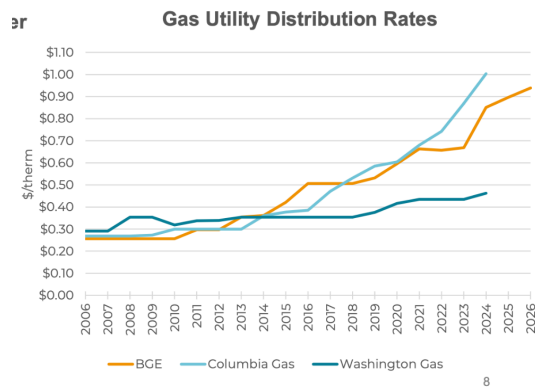
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A gas pipeline program that properly prioritizes gas leaks will cost less, meaning smaller bill increases, while also making our communities safer. Our gas utilities need to fulfill their obligation to provide safe and affordable energy to Maryland homes, without expecting additional financial incentives from customers.

These reforms will enable the PSC to more effectively reign in excessive gas capital spending that is driving up heating bills.

STRIDE and utility profits

Gas utilities make their highest profits from capital investments, including installing new pipes and equipment. Increased capital spending also leads to increases in customer delivery rates.



This leads to risk of overspending, often referred to as "gold plating," where utilities invest in ways that boost their profits and customer rates but do not deliver proportional benefit to their customers. Traditional utility regulation has checks in place to counteract the incentive to overinvest, including but not limited to oversight by the PSC. STRIDE, multiyear ratemaking, and forecast rates weaken these checks.

STRIDE effectively increases the incentive to overinvest - driving up our rates and utility profits, but without improving utility service in any proportion. And this is obviously what is going on: spending, rates, and profits are all climbing.

The legislature should repeal STRIDE to remove this unnecessary incentive.

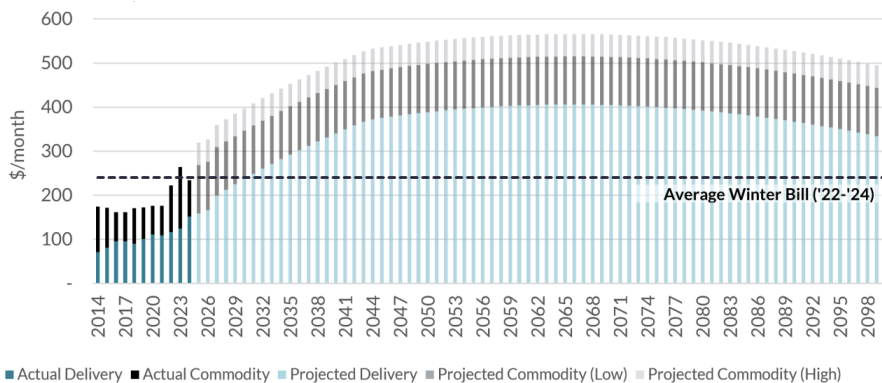
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The average WGL typical residential customer's bill will grow from an average of \$194 in 2022-2024 to \$256, a 32 percent increase, by 2035 and \$340, a 76 percent increase, by 2050.

Courtesy of the Office of the People's Counsel, [Gas Utility Spending, 2025](#)

BGE's 2025 Operation Pipeline project list indicates that BGE's 2025 work to convert its system from low to medium pressure appears to drive project selection decisions more than risk scores do. The pressure conversion strategy requires the replacement of non-at risk materials. In 2025, 15% of the mains and more than 40% of the service lines being replaced were lower risk materials like plastic. The 2026 plan is much the same. Because of this added work, and having to target cast iron by geographic location instead of risk, BGE's Operation Pipeline pressure conversion work may be slowing BGE's work to repair or replace cast iron and bare steel throughout the company's service territory.

BGE is also under [investigation at the PSC](#) for failures of the gas pipeline safety inspection program.

Despite new consumer protections under the Next Generation Energy Act which require gas pipeline spending to prioritize safety and be cost-effective, BGE's 2026 Operation Pipeline project list, released February 3, 2026, does not include cost-effectiveness analysis nor does it demonstrate prioritization of

safety. Further, the project list outlines BGE’s plan to increase spending on the program. In 2025, BGE spent over \$130 million on Operation Pipeline and in 2026, they plan to spend over \$142 million.

This infrastructure spending drives up delivery rates and BGE profits. BGE’s delivery rates have tripled since 2010 while their profits have almost quadrupled, reaching a record high of \$578 million in 2025, a \$50 million increase over 2024. If BGE completes its proposed \$4 billion in STRIDE-related spending, the Office of the People’s Counsel projects that customers will repay a total of \$19.5 billion over time, including interest and utility profits.



Without taking action, BGE’s profits will continue to rise at the expense of ratepayers and other gas utilities will follow suit.

Washington Gas customers have yet to experience the massive rate increase felt by BGE gas customers, but the state needs to act to prevent these hikes. In December, Washington Gas filed for a [\\$82.5 million rate increase](#). If the total increase is approved, residential heating customers will receive an increase of 8.5% to their total bill or \$7.87 on a monthly basis. According to OPC, if WGL completes its proposed \$3.9 billion in gas pipeline spending, it could cost customers \$22 billion to pay back, due in large part to substantial profits.

We respectfully request a favorable report

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HB1253_FAV_Iman_Habib.pdf

Uploaded by: Iman Habib

Position: FAV



PROGRESSIVE MARYLAND

P.O. Box 7595, Largo MD 20792

ProgressiveMaryland.org

Info@progressivemaryland.org

Bill Title: [HB1253](#) Gas Companies - Infrastructure Investments - Cost Recovery and Customer Notification (Break STRIDE Act)

Position: SUPPORT (FAV)

To: Environment and Transportation Committee

From: Iman Habib, Climate Policy Analyst on behalf of Progressive Maryland

Date: March 6, 2026

Greetings Chair Korman, Vice Chair Guyton, and members of the Environment and Transportation Committee,

My name is Iman Habib, Climate Policy Analyst for Progressive Maryland, a member-led, power-building organization that centers working class voices as we tackle a wide range of issues, including environmental justice. We have over 125,000 members spanning across Maryland with significant bases in Baltimore City, Prince George's, Montgomery, Frederick, and Harford counties, as well as the Eastern Shore. **Progressive Maryland is in strong support of HB1253 Gas Companies - Infrastructure Investments - Cost Recovery and Customer Notification, or the Break STRIDE Act.**

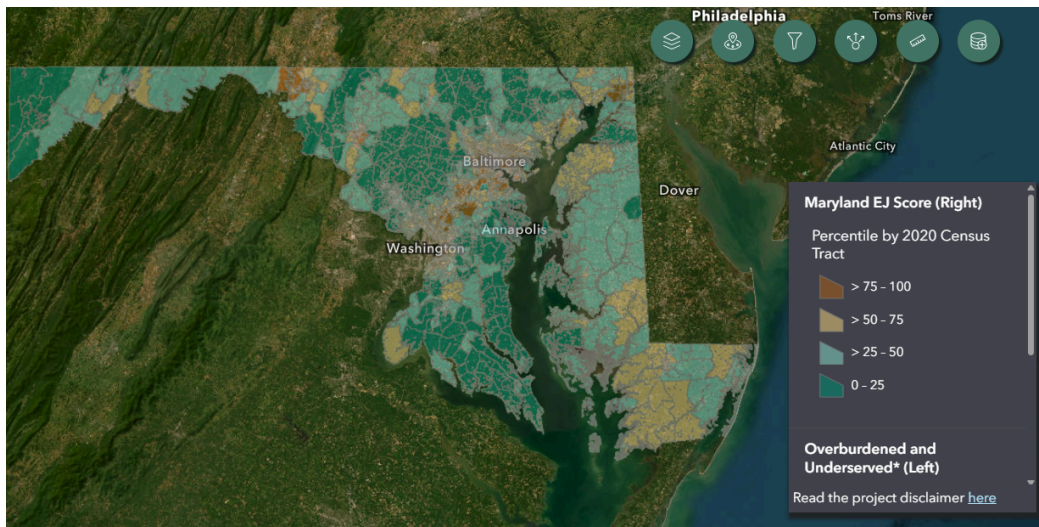
Irrespective of where our members are geographically concentrated, they all share the common sentiment that utility bills are soaring at unprecedented rates amidst an unpredictable and relentless affordability crisis. Marylanders, regardless of where they live, are paying the price for imprudent investor-owned utility spending which prioritizes excessive profits over safety and consumer protections. The more money utilities spend upfront in infrastructure development, the more ratepayers are responsible for recovering through their energy bills. If gas utilities in Maryland continue to operate without additional guardrails, they are expected to invest close to \$8 billion in infrastructure and subsequently charge customers a projected \$41.5 billion!

As an organization dedicated to uplifting work-class voices, this is a critical issue in communities scoring significantly higher Environmental Justice scores (i.e. enduring higher health and pollution burdens),^{1,2} particularly in the areas that are serviced by Baltimore Gas and Electric (BGE).³ Maryland PIRG's [analysis](#) of BGE's "Operation Pipeline" STRIDE project demonstrated that the utility is prioritizing expensive pipeline replacement which will ultimately charge customers close to \$20 billion in the upcoming years. At present, BGE gas customers are paying nearly double in delivery rate charges for what they spend on gas itself—this equates to customers paying nearly triple the price of gas to heat their homes! Moreover, BGE is under [PSC investigation](#) for failing to uphold safety standards during infrastructure projects.

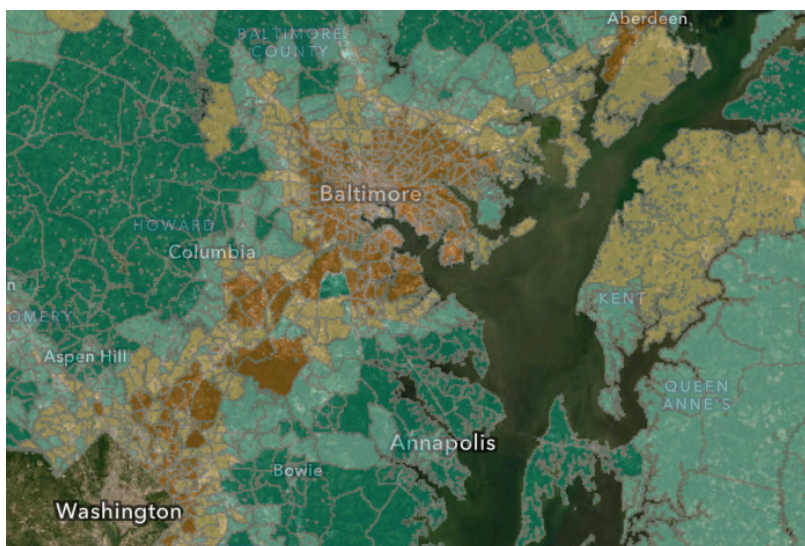
Due to this imprudent spending and negligence, BGE customers are having to bear the brunt of the cost, both financially and safety-wise. Those concentrated in EJ communities are especially

vulnerable to this exploitation not only through their energy bills, but also due to their geographic placement in neighborhoods where these hazardous pipeline replacements are taking place. **Progressive Maryland urges the Environment and Transportation Committee to issue a favorable report on HB1253.**

¹EJ Score breakdown in Maryland. More brown-toned areas indicate higher pollution and health burdens

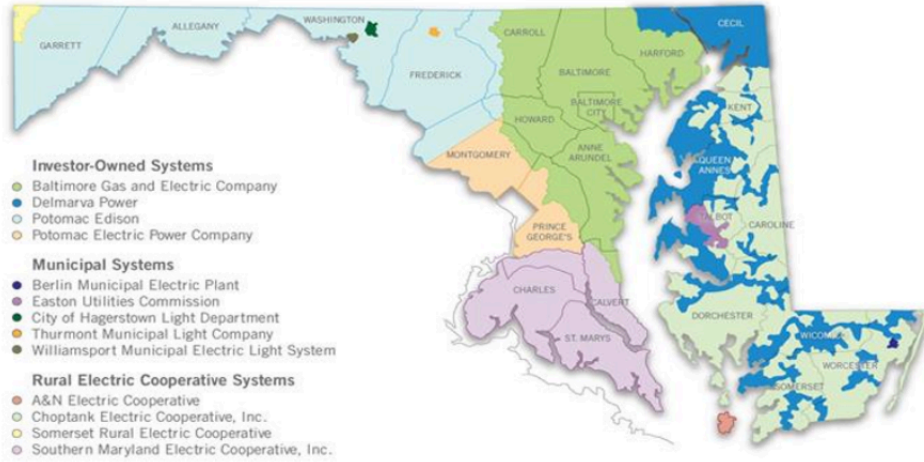


²Zoomed in picture of areas with higher EJ scores



³Investor-owned utility service breakdown across in Maryland

Figure 1: Maryland Utilities and their Service Territories in Maryland⁵



CCAN HB1253_BreakSTRIDEAct_MDPIRG_FAV.pdf

Uploaded by: Jamie DeMarco

Position: FAV

Maryland PIRG



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

Environment and Transportation

March 10th, 2026

Emily Scarr, Maryland PIRG

Favorable

Maryland PIRG is a state based, small donor funded public interest advocacy organization with grassroots members across the state. We work to find common ground around common sense solutions that will help ensure a healthier, safer, more secure future.

Maryland PIRG, along with more than a dozen organizations, supports the Break STRIDE Act (HB1253).

The STRIDE law was passed with the intent of providing financial incentives for gas utilities to more proactively fix their aging gas infrastructure; unfortunately, it lacked critical safeguards on spending, exacerbating an existing incentive to overinvest in new infrastructure. To make matters worse, the law also lacked language requiring spending to prioritize safety. For over a decade, gas companies have used the STRIDE law to pursue expensive projects that do not appear to prioritize safety and may be delaying the work to address the riskiest pipes, collecting excessive profits along the way.

Maryland gas utilities have already spent over two billion dollars to replace gas pipes and equipment.

Without intervention, 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, driven in large part by utility profits.



HB1253 fully repeals the STRIDE law and surcharge and:

- Requires utilities to pay for all gas capital spending through investor dollars or debt and then justify the prudence of the spending through a rate case to be eligible for cost-recovery.
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Emily Scarr, Maryland PIRG Senior Advisor emily@marylandpirg.org
[@marylandpirg](https://twitter.com/marylandpirg)

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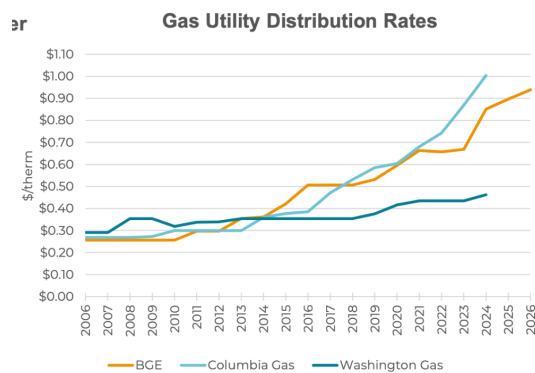
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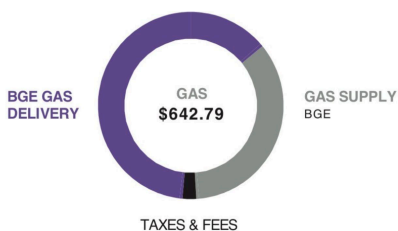
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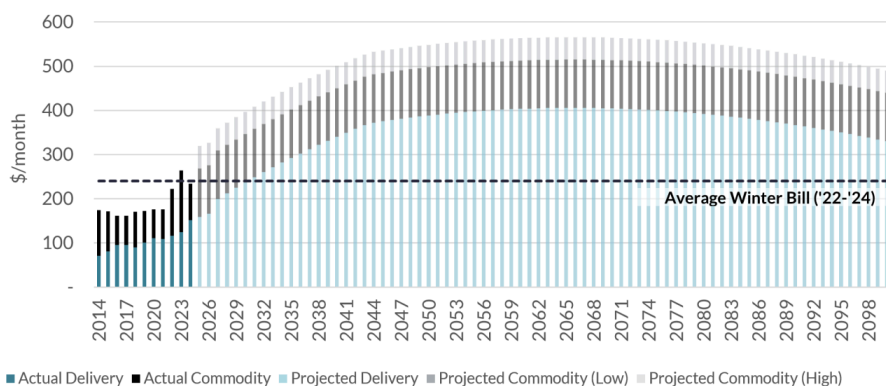
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HB1253_FAV_EconAction.pdf

Uploaded by: Jennifer Bevan-Dangel

Position: FAV



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

Position: Favorable

March 10, 2026

The Honorable Marc Korman, Chair
Environment and Transportation Committee
250 Taylor House Office Building
Annapolis, MD 21401
Cc: Members of the Committee

Chair Korman and members of the Environment and Transportation Committee,

Economic Action Maryland Fund urges a favorable report on HB1253, which would save ratepayers on their gas bills by repealing the STRIDE law and reducing the ways utility companies can force gas infrastructure spending onto consumers.

As the members of this committee are painfully aware, energy rates have risen dramatically in recent years due to a variety of factors. Thousands of Marylanders each year face shutoff notices due to nonpayment, while many others are forced to juggle multi-hundred-dollar utility bills alongside the ever-increasing costs of rent, groceries, and other necessities. In fact, when Economic Action Maryland Fund surveyed our members and other stakeholders this winter, 63% stated utility bills were their primary concern.

STRIDE has incentivized excessive utility spending on new gas lines, at significant ratepayer expense. Because STRIDE ensures a higher rate of return on new infrastructure, companies are not prioritizing safety and replacement, but instead pursuing projects that maximize company profits. As Maryland PIRG analysis has shown, customers are already expected to repay over \$41 billion to pay companies back for less than \$8 billion in spending, the difference being interest and company profits.

HB1253 would repeal these perverse incentives and rein in the expenses that can be pushed onto ratepayers. The bill requires companies to prioritize safety and enacts guardrails to protect consumers through cost-effectiveness analysis. This bill builds on the Ratepayer Protection Act passed in 2025 with necessary clarification and additional protections. There have been implementation delays from both the utility companies and the Public Service Commission related to that important consumer protection legislation, and this bill is necessary to ensure it is fully and appropriately implemented.

Excess gas capital spending is driving up utility bills, and this bill is an important tool to rein in those expenses and protect consumers. For these reasons, we urge a favorable report on HB1253.

Sincerely, Jennifer Bevan-Dangel, Deputy Director

Economic Action (formerly the Maryland Consumer Rights Coalition) champions economic rights and housing justice through advocacy, research, consumer education, and direct service. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

2209 Maryland Ave · Baltimore, MD 21218 | www.econaction.org
Marceline White · Marceline@EconAction.org | Jennifer Bevan-Dangel · Jennifer@EconAction.org

HB 1253 Break STRIDE FAV AARP MD.pdf

Uploaded by: Laurel Peltier

Position: FAV



One Park Place | Suite 475 | Annapolis, MD 21401-3475
1-866-542-8163 | Fax: 410-837-0269
aarp.org/md | md@aarp.org | twitter: @aarpmd
facebook.com/aarpmd

**HB 1253 – Gas Companies – Infrastructure Investments – Cost Recovery and Customer Notification (Break STRIDE Act)
Environment and Transportation Committee
March 10, 2026
FAVORABLE**

Good afternoon, Chair Korman, Vice Chair Guyton, and members of the Environment and Transportation Committee. My name is Laurel Peltier, and I am a proud member of AARP Maryland and a resident of Baltimore County. AARP Maryland represents more than 850,000 members across the state, making it one of the largest membership-based organizations advocating for older Marylanders. We appreciate the opportunity to testify in strong support of HB 1253. We thank Delegate Behler for introducing this legislation on behalf of Maryland ratepayers.

AARP is a nonpartisan, nonprofit organization dedicated to empowering people to live their best lives as they age. Our work focuses on issues that matter most to older adults and their families, including affordable utilities, financial security, health care access, and protection from financial exploitation.

AARP Maryland supports House Bill 1253:

- AARP Maryland opposed STRIDE in 2012 and 2013.
- STRIDE gas pipeline spending to date is \$4 billion.
- Gas utilities can utilize the current Public Service Commission regulated gas rate case system instead of also using STRIDE.

AARP Maryland knows that our members and many senior Marylanders on fixed incomes are grappling with today's unaffordable utility bills. Tough budget decisions are being made to pay for utilities, and the negative consequences are many. From health and safety issues to increased terminations, the main benefit of HB1253 is to tamp down future electricity supply rates.

For these reasons, we respectfully urge the committee to support HB 1253.

If you have any questions, please contact Sara Westrick, AARP Maryland Advocacy Director at swestrick@aarp.org or by calling 410-310-0374.



HB1253_Break STRIDE Act_CJW_FAV_EnT.pdf

Uploaded by: Laurie McGilvray

Position: FAV



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

Committee: Environment & Transportation

Organization: Maryland Legislative Coalition Climate Justice Wing

Submitting: Monica Oconnor, Co-Chair

Position: Favorable

Hearing Date: March 10, 2026

Dear Chair Korman, Vice Chair Guyton and Committee Members:

We are providing our testimony today in support of HB1253 - Break STRIDE Act. The Maryland Legislative Coalition Climate Justice Wing is a statewide coalition of 32 grassroots and professional organizations focused on climate justice and we urge you to vote favorably on HB1253.

The Break Stride Act (HB1253) repeals the 2013 Strategic Infrastructure Development and Enhancement Plan (STRIDE) law; ending a program intended to incentivize gas utilities to fix aging pipeline infrastructure, but has instead led to overinvestment in costly capital project expenditures. These investments, along with a profit, are paid back to utilities by ratepayers over many decades - driving huge rate increases, without measurably improving gas utility service. The Maryland legislative Coalition- Climate Justice Wing strongly supports HB1253.

Despite utilities' legal obligation to provide safe service, the Maryland legislature passed the 2013 STRIDE law providing gas utilities with a financial incentive (i.e., advanced cost recovery through a ratepayer surcharge) to proactively replace aging gas pipes and equipment. But nothing in the law required that utilities target leaks, prioritize safety, or be cost effective in their work. For more than a decade gas utilities have taken advantage of STRIDE, prioritizing capital investment in gas system replacement - a huge moneymaker - over fixing the riskiest pipes and utilizing cost effective alternatives. The Maryland Office of the People's Counsel found that since 2014, gas utilities have spent more than \$2 billion under the STRIDE law on new gas infrastructure, and without intervention, Maryland gas utilities are expected to spend nearly \$8 billion more on STRIDE related projects. Maryland ratepayers are on the hook to cover these costs, as well as the additional return on investment profits for utilities, amounting to over \$41.5 billion over the life of the program.

Skyrocketing utility bills in 2025 pushed the General Assembly to pass the Ratepayer Protection Act as part of the Next Generation Energy Act. The Ratepayer Protection Act of 2025 directs gas

pipeline spending to prioritize safety and be cost effective and requires gas utilities to consider alternatives to replacement including repair, relining, and non-pipeline alternatives. However, since the law went into effect, Washington Gas, and BGE have both argued at the Public Service Commission (PSC) that they do not have to comply with the law 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.

Maryland gas ratepayers need meaningful relief now. The Break STRIDE Act 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.

HB1253 makes a clean break from STRIDE, protects gas customers from excessive utility bills and improves pipeline safety. For these reasons we request a FAVORABLE report.

350MoCo

Cedar Lane Unitarian Universalist Church Environmental Justice Ministry

Chesapeake Earth Holders

Chesapeake Physicians for Social Responsibility

Climate Law and Policy Project

Climate Communications Coalition

Climate Parents of Prince George’s

Climate Reality Greater Maryland

ClimateXChange

Coming Clean Network, Union of Concerned Scientists

DoTheMostGood Montgomery County

Echotopia

Elders Climate Action Maryland

Fix Maryland Rail

Glen Echo Heights Mobilization

Greenbelt Climate Action Network

HoCoClimateAction

Howard County Indivisible

Maryland Legislative Coalition

Maryland Energy Advocates

Maryland Third Act

Mizrahi Family Charitable Fund

Mobilize Frederick

Montgomery County Faith Alliance for Climate Solutions
Montgomery Countryside Alliance
Mountain Maryland Movement
Nuclear Information & Resource Service
Progressive Maryland
Safe & Healthy Playing Fields
Takoma Park Mobilization Environment Committee
The Climate Mobilization MoCo Chapter
Unitarian Universalist Legislative Ministry of Maryland

Earthjustice HB 1253 Support Comments Break STRIDE

Uploaded by: Susan Miller

Position: FAV



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)

Earthjustice¹ 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

¹ 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.

Respectfully submitted,



Susan Stevens Miller
Senior Attorney
Earthjustice

HB 1253_Chesapeake Utilities_Unfav (03-10-26) (Fin

Uploaded by: brian quinn

Position: UNF



March 10, 2026

HOUSE ENVIRONMENT AND TRANSPORTATION COMMITTEE

HB 1253 – Gas Companies – Infrastructure Investments – Cost Recovery and Customer Notification (Break STRIDE Act)

Statement in Opposition

Chesapeake Utilities of Maryland, Inc. (“Chesapeake”) delivers natural gas to 33,000 customers throughout Maryland’s Eastern Shore, serving Cecil, Dorchester, Caroline, Wicomico, Worcester, and Somerset counties. Chesapeake respectfully opposes HB 1253, which would repeal the STRIDE statute, prohibit the Public Service Commission (the "Commission") from allowing recovery of certain gas infrastructure replacement costs through alternative regulation, change the criteria for gas companies to recover infrastructure costs, and require advance notifications to customers for planned gas projects. Together, these measures would disrupt Maryland’s established process for replacing aging gas infrastructure, including leak-prone gas lines, and could jeopardize system safety, reliability, and affordability.

The bill’s arbitrary 2-year notification requirement is unworkable and based upon a deeply flawed premise. HB 1253 would impose a new 2-year advanced customer notification requirement that in practice, would be completely unworkable. Under the bill, anytime a gas company replaces any infrastructure (including pipes, meters, compressor stations) the company would be required to provide all impacted customers at least 2 years advanced notice of the project; plus at least two subsequent notifications. It is unclear what practical benefit (if any) is provided by informing a customer that the utility may be performing work in the customer’s area 2 years from now.

In addition, a two-year notification requirement jeopardizes a gas company’s ability to replace the highest risk pipe on its system. Gas companies repair pipelines based on the highest risk pipe. A two-year notice requirement requires gas companies essentially to *guess* which projects to implement far in advance - instead of choosing projects prudently based on the need for leak elimination, risk reduction and public safety. Also, HB 1253 ignores the evolving nature of infrastructure replacement. Gas companies continuously monitor the operations of their systems and, in response, the timing of infrastructure projects may change. Given the dynamic nature of infrastructure projects, HB 1253 could lead to multiple customer notifications as projects are announced and (possibly) withdrawn – creating unnecessary customer confusion.

Advocates for HB 1253 appear to assume that gas companies are losing customers; thereby justifying the need for alternatives analyses. This is simply untrue. For the past several years, Chesapeake has added and continues to add new customers year over year. Indeed, over the past 2 years all Maryland gas utilities have added more than 17,500 natural gas customers to their systems. On a statewide basis, natural gas local distribution companies serve approximately 1.3 million customers (half of the Maryland residential space heating market, providing more thermal heat to customers than electricity, oil, or propane.)



HB 1253 removes an important “cost-effective” analysis from current law. HB 1253 brazenly deletes the term “cost-effective” from the existing statutory provision that requires gas companies only to analyze “cost-effective” alternatives to installing new facilities or replacing old ones. By deleting this term, the bill would add needless delays to gas infrastructure replacement and expansion projects. HB 1253 also deletes language from this same section of current law that limits the requirement for an alternatives analysis only “for new investments unrelated to safety.” If adopted, this would require a gas company to prepare an analysis for all infrastructure projects – including those urgently needed for safety reasons, and regardless of the cost-effectiveness of the alternative. Forcing gas companies to prepare useless analyses of expensive alternatives to gas infrastructure is simply pointless; and would hurt customers by jeopardizing the safety of the system.

Repealing the STRIDE statute would contradict Federal policy and harm system safety and reliability. In 2012, in the wake of several serious pipeline incidents in the United States, the U.S. Department of Transportation’s Pipeline and Hazardous Materials Safety Administration (PHMSA) issued “A Call to Action” for all pipeline stakeholders, including the natural gas companies and state utility commissions, to identify pipeline risks and accelerate the replacement of the highest risk infrastructure. In 2013, the Legislature enacted the STRIDE law to encourage gas utilities to accelerate replacement of certain aging gas infrastructure by allowing gas companies to begin recovering a small portion of the cost to replace old (and fully-depreciated) pipe infrastructure in between rate cases.¹ The STRIDE program encourages the acceleration of pipeline replacement and achieves material greenhouse gas emission reductions through leak reduction and prevention. HB 1253 would simply eliminate these important efforts.

The Commission is best equipped for planning and oversight. The Commission has extensive experience overseeing gas system investments through reviews during annual STRIDE reconciliations and formal base rate cases. HB 1253 would undermine this expert, case-specific review by eliminating proven tools and imposing rigid, one-size-fits-all constraints on infrastructure cost recovery – with no benefit to ratepayers.

On behalf of Chesapeake and our thousands of employees and their families who contribute every day in the communities where they live, work, and serve, we respectfully oppose HB 1253.

Chesapeake Utilities Corporation
Steve Baccino, Governmental Affairs Director

¹ It is important to note that utilities do not recover the costs they incur to replace infrastructure all at once. Rather, utilities recover an equal portion of the replacement costs each year through depreciation rates based on the useful life of the asset. In other words, if an asset has a useful life of 30 years, the utility is allowed to recover 1/30th of the cost each year until the utility recovers their entire cost (*i.e.*, the asset is “fully depreciated”). Under traditional ratemaking, a utility is required to incur the full cost to replace an asset and place the asset into service. Then, the utility must file and complete a base rate case before the Commission allows the utility to begin to recover 1/30th of the cost of the asset each year going forward. Under STRIDE, the gas company is simply allowed to begin recovery of its 1/30th share of the cost of the asset in between rate cases and simultaneous with its installation of the asset (and under Commission supervision).

HB1253_BGE_UNF_ENT_Gas Companies - Infrastructure

Uploaded by: Brittany Jones

Position: UNF

Position Statement

Oppose
House Environment &
Transportation Committee
3/10/2026

House Bill 1253 – Gas Companies - Infrastructure Investments - Cost Recovery and Customer Notification (Break STRIDE Act)

Baltimore Gas and Electric Company (BGE) **opposes** House Bill 1253 – *Gas Companies - Infrastructure Investments - Cost Recovery and Customer Notification (Break STRIDE Act)*. HB 1253 will repeal the Strategic Infrastructure Development and Enhancement (STRIDE) legislation that has allowed Maryland’s gas companies to perform the necessary replacement of aging and higher-risk natural gas infrastructure for over a decade as an important public safety measure that also aligns with the State’s decarbonization policies and goals. The bill also eliminates the Public Service Commission’s statutory authority to allow gas or combination utilities to recover the costs of infrastructure replacement projects through alternative ratemaking mechanisms beginning in October 2026, including through tools such as multi-year rate plans. Additionally, HB 1253 requires utilities to provide affected customers with two years’ advance notice before proceeding with certain non-emergency infrastructure investments where a non-pipeline alternative is determined not to be feasible. These provisions will create substantial barriers to replace aging gas infrastructure, prevent the performance of necessary compliance or regulatory driven work, slow safety progress which will expose the public to significant risk, and increase long-term costs for customers.

While BGE shares the Committee’s commitment to protecting customers and focusing on reliable and affordable energy solutions, HB 1253 will significantly disrupt Maryland’s carefully constructed safety, regulatory, and cost-recovery framework for necessary natural gas infrastructure modernization and will impact gas companies’ ability to meet federal regulations and guidance

Maryland’s STRIDE program was enacted in 2013 to accelerate the replacement of aging and higher-risk natural gas infrastructure. The program allows utilities to recover prudent, safety-related investments through a narrowly defined surcharge (capped at \$2/month) outside of base rate cases. This structure enables utilities to replace aging pipelines in a systematic and timely manner while maintaining and reinforcing regulatory oversight by the Public Service Commission. HB 1253 would end this vital program.

HB 1253 also conflicts with federal safety priorities. The U.S. Department of Transportation’s pipeline safety regulator, the Pipeline and Hazardous Materials Safety Administration (PHMSA), has consistently emphasized that aging cast-iron and bare steel pipelines represent higher-risk infrastructure that needs to be replaced on an accelerated basis. Nationally, cast iron represents

BGE, headquartered in Baltimore, is Maryland’s largest gas and electric utility, delivering power to more than 1.3 million electric customers and more than 700,000 natural gas customers in central Maryland. The company’s approximately 3,300 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC), the nation’s largest energy delivery company.

roughly one percent of the total distribution network as of the end of 2024, yet has contributed to one-third of all gas distribution event fatalities, and combined with bare steel, contributes to three-quarters of all known leaks. Federal data shows that progress has been substantial nationwide. Twenty-four states and one territory have already fully removed cast iron inventory from their gas distribution systems. This progress was made possible largely through programs similar to STRIDE. However, Maryland continues to lag behind other states in removing these high-risk materials.

Federal funding policy also reinforces this goal. Under the Infrastructure Investment and Jobs Act, signed by President Joe Biden in 2021, PHMSA administers the Natural Gas Distribution Infrastructure Safety and Modernization Grant Program, which provides \$1 billion to help states and municipal and community utilities replace aging, leak-prone gas infrastructure. The program is designed to reduce incidents, prevent fatalities, and decrease methane emissions. HB 1253 would move Maryland in the opposite direction by slowing the very modernization efforts federal policy is intended to accelerate.

The operational mandates proposed in HB 1253 will stall planned work and raise costs by requiring an impractical two-year customer notification for proactive replacement of this outmoded gas infrastructure. This would effectively pause most planned replacement projects, create compliance risk for required activities, and add administrative cost that is not necessary to achieve the desired outcome of providing customers with the choice to electrify. BGE's existing notification process provides multiple notifications at least 6 months in advance of work starting. The communications provide the opportunity for customers to express their intent to electrify their existing gas appliances and, as a result, will no longer need gas service. BGE already has a process in place to accommodate these customers. It is essential to note that of the 39,000 notifications that BGE has sent to customers, only 10 customers have opted to discontinue use of gas. In practice, the provisions of this bill would slow safety progress, defer needed investment, and increase the ultimate cost of replacement for customers.

Lastly, HB 1253 seeks to amend rate-setting provisions adopted and refined in recent sessions (including through the Next Generation Energy Act in 2025), further complicating how non-emergency critical infrastructure work is reviewed and recovered, making it nearly impossible to proceed with planned, non-emergency safety projects in a transparent and forward-looking manner that invites public input before dollars are spent. Additionally, the rate mechanism if gas companies use the STRIDE surcharge provides a more gradual and predictable pathway for funding safety-related investments while maintaining strong regulatory oversight.

Maryland has made substantial progress in modernizing its natural gas infrastructure and enhancing public safety through the STRIDE program, multi-year plans, and related regulatory mechanisms; however, this important work is not yet completed. Maryland is seventh in the nation in cast iron inventory and its replacement rates lag well behind the national average, as nationally, utilities average a 50% higher replacement rate than Maryland. HB 1253 would undermine that progress by eliminating a proven, nationally aligned framework for timely recovery of safety-critical investments and by imposing operational constraints that would delay planned replacement

work. In the absence of STRIDE, utilities would be forced to defer essential infrastructure modernization until periodic rate cases, increasing inefficiencies, escalating long-term costs, and risking delays to investments necessary to maintain safe and reliable service. Most importantly, HB 1253 increases risk to public safety. We urge the Committee to resist this significant policy shift that moves away from proactively mitigating known safety risks to our customers.

For these reasons, BGE strongly urges the Committee to deliver an **UNFAVORABLE** report on House Bill 1253 and reinforce its commitment to prioritizing safety and mitigating unnecessary risk for Marylanders.

Action Plan Executive Version 1 NOV 11 2011.pdf

Uploaded by: Carville Collins

Position: UNF

U.S. Department of Transportation Call to Action To Improve the Safety of the Nation's Energy Pipeline System

Executive Summary

Today, more than 2.5 million miles of pipelines are responsible for delivering oil and gas to communities and businesses across the United States. That's enough pipeline to circle the earth approximately 100 times.

Currently, these liquid and gas pipelines are operated by approximately 3,000 companies and fall under the safety regulations of the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA). PHMSA has engineers and inspectors around the country who oversee the safety of these lines and ensure that companies comply with critical safety rules that protect people and the environment from potential dangers. While PHMSA directly regulates most of the hazardous liquid pipelines in the nation, states take over when it comes to intrastate natural gas pipelines. Every state, except Hawaii and Alaska, is responsible for the inspection and enforcement of state pipeline safety laws for the natural gas pipeline systems within their respective states. Some states – about 20 percent - also regulate the hazardous liquid lines within state borders.

In the wake of several recent serious pipeline incidents, U.S. DOT/PHMSA is taking a hard look at the safety of the nation's pipeline system. Over the last three years, annual fatalities have risen from nine in 2008, to 13 in 2009 to 22 in 2010. Like other aspects of America's transportation infrastructure, the pipeline system is aging and needs a comprehensive evaluation of its fitness for service. Investments that are made now will ensure the safety of the American people and the integrity of the pipeline infrastructure for future generations.

For these reasons, Secretary LaHood has issued "A Call To Action" for all pipeline stakeholders, including the pipeline industry, the utility regulators, and our state and federal partners. Secretary LaHood brought together PHMSA Administrator Quarterman and the senior DOT leadership to design a strategy to achieve that goal. The action plan below is the result of those deliberations.

Background

Much of the nation's pipeline infrastructure was installed many decades ago, and some century-old infrastructure continues to transport energy supplies to residential and commercial customers, particularly in the urban areas across our nation. Older pipeline facilities that are constructed of obsolete materials (e.g., cast iron, copper, bare steel, and certain kinds of welded pipe) may have degraded over time, and some have been exposed to additional threats, such as excavation damage.

On December 4, 2009, PHMSA issued the Distribution Integrity Management Final Rule, which extends the pipeline integrity management principles that were established for hazardous liquid and natural gas transmission pipelines, to the local natural gas distribution pipeline systems. This regulation, which becomes effective in August of 2011, requires operators of local gas distribution

pipelines to evaluate the risks on their pipeline systems to determine their fitness for service and take action to address those risks. For older gas distribution systems, the appropriate mitigation measures could involve major pipe rehabilitation, repair, and replacement programs. At a minimum, these measures are needed to requalify those systems as being fit for service. While these measures may be costly, they are necessary to address the threat to human life, property, and the environment.

In addition to the many pipelines constructed with obsolete materials, there are also early vintage steel pipelines in high consequence areas that may pose risks because of inferior materials, poor construction practices, and lack of maintenance or inadequate risk assessments performed by operators. The lack of basic information or incomplete records about these systems is also a contributing factor. The U.S. DOT is seeking to make sure these risks are identified, the pipelines are assessed accurately, and preventative steps are taken where they are needed.

Action Plan

The U.S. DOT and PHMSA have developed this action plan to accelerate rehabilitation, repair, and replacement programs for high-risk pipeline infrastructure and to requalify that infrastructure as fit for service. The Department will engage pipeline safety stakeholders in the process to systematically address parts of the pipeline infrastructure that need attention, and ensure that Americans remain confident in the safety of their families, their homes, and their communities. The strategy involves:

- **A CALL TO ACTION** – Secretary LaHood is issuing a “Call to Action” to engage state partners, technical experts, and pipeline operators in identifying pipeline risks and repairing, rehabilitating, and replacing the highest risk infrastructure. Secretary LaHood is also asking Congress to expand PHMSA’s ability to oversee pipeline safety.
 - Secretary LaHood and PHMSA Administrator Quarterman have met with the Federal Energy Regulatory Commission (FERC), the National Association of Regulatory and Utility Commissioners (NARUC), state public utility commissions, and industry leaders to ask all parties to step up efforts to identify high-risk pipelines and ensure that they are repaired or replaced.
 - Secretary LaHood is asking Congress to increase the maximum civil penalties for pipeline violations from \$100,000 per day to \$250,000 per day, and from \$1 million for a series of violations to \$2.5 million for a series of violations. He is also asking Congress to help close regulatory loopholes, strengthen risk management requirements, add more inspectors, and improve data reporting to help identify potential pipeline safety risks early. The Senate has passed its version of the pipeline safety reauthorization legislation. The House of Representatives is currently considering two versions of a similar bill that could be passed by end of the year.
 - The U.S. DOT and PHMSA convened a Pipeline Safety Forum in April 2011 that engaged a working session around the actions that DOT/PHMSA, the state regulatory agencies, and the pipeline industry can take to drive more aggressive actions to raise

the bar on pipeline safety. The U.S. DOT and PHMSA is preparing a report based on ideas, opportunities and challenges presented at the Forum and action that will be taken.

- **AGGRESSIVE EFFORTS** – The U.S. DOT and PHMSA are calling on pipeline operators and owners to review their pipelines and quickly repair and replace sections in poor condition.
 - PHMSA has asked technical associations and pipeline safety groups to provide best practices and technologies for repair, rehabilitation and replacement programs, and has asked industry groups for commitments to accelerate needed repairs.
 - PHMSA will review all data received from pipeline operators to identify areas with critical needs.
 - PHMSA’s Distribution Integrity Management rule became effective in August, requiring all operators of local gas distribution pipeline systems to evaluate the risks on their pipeline systems and take action to address those risks.

- **TRANSPARENCY** - U.S. DOT and PHMSA will execute this plan in a transparent manner with opportunity for public engagement, including a dedicated website for this initiative, and regular reporting to the public.
 - PHMSA has launched a public website (<http://opsweb.phmsa.dot.gov/pipelineforum>), which describes the ongoing pipeline rehabilitation, replacement and repair initiatives.
 - All materials from the Pipeline Safety Forum will be publicly posted to the web, followed by a Draft Report for Notice and Comment. Once public input has been collected, PHMSA will publish a final Pipeline Safety Report to the Nation.
 - PHMSA will be holding a national forum on emergency preparedness and response to pipeline emergencies. The forum will take place December 9, 2011, and will include the major stakeholders from the emergency response community, industry and government to discuss how best to improve pipeline emergency preparedness and response capabilities.
 - A report from the forum will be prepared and published.

Revised 11/1/11

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MD 2025 HB 1253 Columbia Gas Testimony Final.pdf

Uploaded by: Carville Collins

Position: UNF

**UNFAVORABLE – House Bill 1253
Gas Companies – Infrastructure Investments – Cost Recovery and Customer Notification
House Environment and Transportation Committee**

Columbia Gas of Maryland, Inc. opposes House Bill 1253, which repeals what is commonly referred to as the Strategic Infrastructure Development and Enhancement Act, or STRIDE Act of 2013 for natural gas utility companies.

In 2011, in the wake of several serious pipeline incidents in the United States, the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) issued "A Call to Action" for all pipeline stakeholders, including the natural gas companies and their regulators, to identify pipeline risks and accelerate the replacement of the highest risk infrastructure. At that time, individual states like Maryland examined the need to accelerate the replacement of high-risk pipe to ensure public safety and the reliability of our critical pipeline infrastructure into the future. Attached to this testimony is PHMSA's 2011 Call to Action letter and Federal Executive Action Plan.

In 2013, the Maryland General Assembly passed and Governor Martin J. O'Malley signed the STRIDE Act to encourage gas utilities to accelerate replacement of certain aging gas infrastructure by allowing for partial recovery of infrastructure investment costs through a forward-looking recovery mechanism. The STRIDE legislation is explicitly intended to spur utility investment to replace aging infrastructure to improve reliability of Maryland's gas systems and maintain safety.

PHMSA's call to action that culminated in the STRIDE Act in Maryland should not be forgotten or ignored. Since the inception of the program in 2013, the gas companies have designed their STRIDE programs specifically around increasing safety and reliability, seeking to recover costs associated with replacing or improving "eligible infrastructure", which the statute defines as: infrastructure that is replaced or improved after June 1, 2013; **is designed to improve public safety or infrastructure reliability**; does not increase the revenue of a gas company by connecting an improvement directly to new customers; **reduces or has the potential to reduce greenhouse gas emissions through a reduction in natural gas system leaks**; and is not included in the current rate base of the gas company as determined in the gas company's most recent base rate proceeding.

Gas company STRIDE programs have been reviewed and approved by the Public Service Commission (PSC) and have benefited the environment by reducing the number of methane leaks due to the eligible infrastructure that has been replaced, and future STRIDE programs will likewise further reduce methane leaks to the benefit of the environment.

Any assertion that STRIDE should be repealed given unresolved energy policies is not based in fact, is contrary to federal policy from PHMSA and potentially adversely affects gas company efforts to provide safe and reliable gas service to our customers and to communities where they reside.

Just a few weeks ago as well as last year, because of STRIDE and other company-wide efforts to improve the reliability and operations of our gas system, Columbia Gas customers in western Maryland were kept warm and safe during periods of significant cold weather. With some areas of our service territory experiencing daily high temperatures in the teens and temperatures as cold as -5 degrees at night this year and single digit daily high temperatures and temperatures as cold as -9 degrees at night last year our customers were provided with the energy they needed when they needed it.

Advocates for repealing STRIDE claim that the program is a leading source of the cost increases to gas utility customers that have caused the current affordability crisis. Clearly, they have not understood the STRIDE program, which allows for a maximum surcharge of \$2 per month on residential customer bills. Since 2013, most gas companies with STRIDE programs have rarely reached that \$2 per month maximum. A surcharge of up to \$2, created by the General Assembly, has been a reasonable price to pay for helping to address the gas infrastructure that is oldest and in greatest need of replacement.

Advocates of repealing STRIDE have claimed gas companies have a shrinking customer base. That is not the case. Columbia Gas, in fact, has added and continues to add new customers year after year. And over the last five years, according to U.S Energy Information Administration (EIA) statistics, all Maryland gas utilities have added almost 25,000 more residential natural gas customers to their systems. On a statewide basis, natural gas local distribution companies serve approximately half of the Maryland residential space heating market, providing more thermal heat to customers than electricity, oil, or propane.

Advocates for repealing STRIDE do not have specific expertise in pipeline safety, specific knowledge of individual company systems, nor do they have engineering expertise to determine what pipes should be replaced and when. Moreover, since STRIDE encourages the acceleration of pipeline replacement, the gas companies are achieving material greenhouse gas (GHG) emission reductions through leak reduction and prevention under STRIDE, an environmental benefit supporters of changing STRIDE seek to undermine with this effort.

Columbia notes the provision of House Bill 1253 requiring two years of advance notice to customers of any pipeline replacement infrastructure projects (p. 8, lines 25-29) is wholly unworkable and unrealistic, as explained below.

Gas companies repair pipelines based on risk, and a two-year notification requirement jeopardizes a gas company's ability to replace the highest risk pipe on its system given the dynamic nature of pipeline replacement. A two-year notice requirement calls for gas companies to "crystal ball" projects instead of choosing projects based on the necessity of replacement to achieve both leak and risk reduction and maximize public safety. In other words, leaks do not present themselves in a timely manner that would allow gas companies to provide these notices with the precision contemplated in this proposed legislation. In addition, House Bill 1253 requires **three** customer notices adding new and additional costs on gas utility operations which will be paid for by customers with very little benefit to them.

In addition, as part of a gas company's burden of proof to recover reasonable and prudent costs associated with planned gas infrastructure, it is proposed that the investment options no longer need to be "cost-effective" when analyzing options to defer, reduce or eliminate the need to replace, upgrade, or construct new components. In removing the term "cost-effective", (p. 8, line 15) it appears a gas company may have the burden to prove that **any and every option** to defer, reduce or eliminate the need to replace, upgrade, or construct new components was considered and rejected in order to recover such costs. Further, as part of this requirement, gas companies should analyze nonpipeline alternatives. Yet, with the proposed removal of the phrase "for new investments unrelated to safety" (p. 8, line 18) in relation to nonpipeline alternatives, this requirement would extend to **all investments**, not just new investments unrelated to safety. Such burden of proof regarding cost recovery is unrealistic and unnecessary. Gas companies are legally obligated to provide safe and reliable service. It is not appropriate for the legislature to raise the burden of proof for recovery of reasonable and prudent investment to near impossible heights. In doing so, this legislation could effectively, but impermissibly, bar recovery of all replacement and upgrade activity.

Just last year during the 2025 legislative session, the Maryland General Assembly passed, and Governor Moore signed HB 1035/SB 937 (Chapter 626) which amended the original STRIDE Act and other utility rate making provisions. Does common sense not dictate that the legislative changes to STRIDE should be implemented and studied before entirely eliminating a vitally important safety and reliability program for the natural gas system in Maryland?

Neither the Climate Solutions Now Act nor any of the ongoing GHG policy decisions have altered gas companies' continuing obligation to provide safe and reliable service to Maryland residents located in our service territories. Therefore, Columbia Gas remains committed to fulfilling its obligation to provide natural gas delivery service to those customers that request to initiate or wish to continue to receive natural gas delivery service. In addition, most recently the Governor and Senate President have stated that Maryland needs an "all of the above energy approach". Legislation such as House Bill 1253 runs counter to that philosophy.

Consequently, Columbia Gas cannot support House Bill 1253 as appropriately crafted policy on pipeline safety and therefore urges an unfavorable report.

March 10, 2026

Contact:
Carville Collins
(410) 332-8627
carville.collins@saul.com

Contact:
Scott Waitlevertch
(724) 888-9774
swaitlevertch@nisource.com

PHMSA Call To Action Commissioner March 2011 Lette

Uploaded by: Carville Collins

Position: UNF



U.S. Department
of Transportation
**Pipeline and Hazardous Materials
Safety Administration**

Administrator

1200 New Jersey Avenue, SE.
Washington, DC 20590

MAR 31 2011

Dear Commissioner:

Recent tragedies involving natural gas explosions and spills of hazardous liquids highlight the need to take a hard look at the integrity of the Nation's pipelines. As you are keenly aware, some of this infrastructure is aging and requires prompt attention to ensure the safety of communities across the country.

On April 18, 2011, U.S. Transportation Secretary Ray LaHood will convene a Pipeline Safety Forum with the goal of accelerating the rehabilitation, repair, and replacement of critical pipeline infrastructure with known integrity risks. This forum will bring together pipeline safety experts, researchers, industry representatives, State partners, other Federal agency officials, and members of the public to share their expertise, experience, research, and ideas.

On behalf of the Secretary, I invite you to participate in this very important discussion. You may RSVP to pipelineforum@dot.gov with the name(s) and contact information of attending individual(s) from your organization or register on-line at our Pipeline Safety Forum website: www.phmsa.dot.gov/pipelineforum.

As a Commissioner with responsibility for safety oversight of pipelines in your state, I know you share my concern that these facilities are operated correctly and provide safe and reliable service to the American public. In preparation for the Forum, I urge you to review your State's current replacement plans for the highest risk pipelines (for example, bare steel, cast iron pipe, and pipe whose integrity is questionable or not confirmed), and consider what would be necessary to accelerate these plans. We encourage you to bring your findings to the Forum.

Please reply with this information and any related studies or reports by April 10, 2011. We will post your submissions on the Forum website, www.phmsa.dot.gov/pipelineforum. Our plan is to issue a Report to the Nation on the steps needed to achieve the Secretary's goal within the next six months.

Together, we can improve public safety through infrastructure assessment and reinvestment, open communication of concerns and creative solutions, and strong, effective oversight and

robust excavation damage prevention programs including promotion of "Safe Digging Month" this April and the national "Call Before You Dig" (811) programs.

Thank you in advance for partnering with us for public safety.

Regards,

A large, stylized handwritten signature in black ink, appearing to read "Cynthia Quarterman". The signature is written in a cursive, flowing style with a large loop at the end.

Cynthia L. Quarterman

HB1253_PHMSA_Quarterman_UNF.pdf

Uploaded by: Cynthia Quarterman

Position: UNF

1 **COMMITTEE:** ENVIRONMENT & TRANSPORTATION

2 **TESTIMONY ON:** HB 1253

3 **POSITION:** OPPOSE

4 **HEARING DATE:** MARCH 10, 2026

5 Washington Gas respectfully submits this statement in **OPPOSITION** to **House Bill**
6 **1253-Gas Companies - Infrastructure Investments – Cost Recovery and**
7 **Customer Notification (Break STRIDE Act)**

8
9 **Introduction**

10 My name is Cynthia L. Quarterman, and I am an independent consultant to Washington
11 Gas Light Company (“Washington Gas” or “Company”). I served as the Administrator
12 of the US Department of Transportation’s (“DOT”) Pipeline and Hazardous Materials
13 Safety Administration (“PHMSA”) from November 2009 through October 2014.¹
14 PHMSA is responsible for oversight of the safe transportation of oil, gas, and other
15 hazardous materials by all modes of transportation, including pipelines. During my
16 tenure at PHMSA, I spearheaded DOT’s Call to Action, which encouraged state
17 legislatures and public utility commissions to remove high-risk materials expeditiously
18 from natural gas systems around the United States. PHMSA enthusiastically endorsed
19 this legislature’s adoption of the Strategic Infrastructure Development and
20 Enhancement Plan Act (“STRIDE”) in 2013. A representative of PHMSA’s staff
21 testified before the Maryland legislature at the time encouraging STRIDE’s adoption. I
22 testified before this legislature last February in opposition to proposed changes to the
23 STRIDE Act. I understand that since that time, this legislature made some changes to
24

25 _____
¹ Attached as an exhibit is a copy of my Curriculum Vitae.

1 the Act to provide customers with six months notice before construction and to require
2 gas companies to consider non-pipeline alternatives before pipeline replacement.
3 Those changes were reasonable and consistent with pipeline safety. This legislature
4 should be proud of its leadership in improving pipeline safety in Maryland, and I
5 encourage it not to abandon that course. Any attempt to rescind the STRIDE Act would
6 be a barrier to pipeline safety in Maryland.

7
8 The purpose of my testimony is to discuss PHMSA's Call-To-Action and the history
9 surrounding that critical safety initiative and to encourage the continued support for the
10 STRIDE Act. Removing vintage and vulnerable materials on an accelerated basis is
11 sound public policy that is imperative to pipeline safety in Maryland. Not only is it
12 prudent to continue STRIDE without any additional roadblocks that could slow pipe
13 replacement, but it could also be catastrophic if Maryland adopted a "fix it first" strategy
14 that delayed replacement of vulnerable facilities and resulted in a pipeline-related
15 incident.

16
17 **History of The Call to Action**

18 The first and foremost mission of PHMSA is ensuring pipeline safety. During my tenure
19 as PHMSA Administrator, I witnessed several low probability, high consequence oil and
20 natural gas pipeline incidents that destroyed communities and caused catastrophic
21 injuries and deaths. One of those natural gas incidents occurred on September 10, 2010,
22 when a longitudinal seam on a 1956 era, non-industry standard steel natural gas
23 transmission pipeline operated by PG&E ruptured and devastated an entire
24 neighborhood in San Bruno, California, injuring 51 people, killing 8 and destroying 38
25 homes. Then on January 18, 2011, a break on a 1942 vintage 12-inch cast iron

1 distribution main caused an explosion and death of a utility worker in Philadelphia,
2 Pennsylvania. Shortly thereafter, on February 9, 2011, there was a catastrophic incident
3 on a 1928 vintage 12-inch cast iron distribution main operated by UGI in Allentown,
4 Pennsylvania, injuring 3 people, killing 5 and destroying 8 homes. The then-Secretary
5 of Transportation, Ray LaHood, and I visited the communities in San Bruno and
6 Allentown, met with those affected and saw first-hand the destruction that can occur from
7 a natural gas incident. Although the authority to oversee those pipelines had been
8 delegated to state oversight agencies, such as the Maryland Public Service
9 Commission,² so many harrowing pipeline incidents within a few months span caused
10 the Department of Transportation to lead a nationwide Call to Action to replace, repair
11 and/or rehabilitate the highest risk pipelines in April 2011.³

12
13 As a part of that Call to Action, PHMSA chaired multiple meetings to listen to stakeholder
14 concerns and encouraged expedited removal of the highest risk pipe. The materials
15 targeted specifically included cast and wrought iron, bare steel, copper, and certain kinds
16 of welded pipe.⁴ Secretary LaHood and I also delivered speeches before, and entreaties
17 to, the Federal Energy Regulatory Commission (“FERC”), the National Association of
18

19 ² In accepting the responsibility to assume pipeline safety authority in Maryland, the Public Service Commission
20 has accepted the responsibility to adopt the federal minimum safety regulations and guidelines issued by PHMSA,
21 as well as the authority to issue additional or more stringent requirements for intrastate pipelines. Maryland has
22 used that authority to issue its own pipeline safety laws and regulations compatible with those of PHMSA. Pub.
23 Util. Art. Annotated Code of MD, Sections 2-113, 2-117(a), 2-121, 5-101, 11-102, 12-101 through 113 & 13-203;
24 COMAR Title 20, Subtitles 55-57. Any interpretation of a regulation must be consistent with PHMSA’s. See
25 Guidelines for States Participating in the Pipeline Safety Program, revised Jan. 1, 2024, at 17,
<https://www.PHMSA.dot.gov/sites/PHMSA.dot.gov/Files/2024-State-Guidelines-with-Appendices-2023-12-18.pdf>.

³ See DOT News Release, “US Transportation Secretary Ray LaHood Announces Pipeline Safety Action
Plan,” <https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/docs/dot4111.pdf> (hereinafter “DOT Call to
Action News Release”).

⁴ See U.S. Department of Transportation Call to Action to Improve the Safety of the Nation’s Energy Pipeline
System,
<https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/docs/Action%20Plan%20Executive%20Version%201%20NOV%202011.pdf>.

1 Regulatory Utility Commissioners (“NARUC”) and individual state utility commissions to
2 ask for their support in identifying high-risk pipelines and accelerating pipeline
3 replacement projects through appropriate rate recovery mechanisms. PHMSA Staff
4 members also provided testimony before state legislatures, including here in Maryland,
5 encouraging them to enact laws to expedite the removal of high-risk pipe.⁵ Mechanisms
6 such as STRIDE remove operational and funding barriers to pipe replacement, allowing
7 utilities to do work that is critical to public safety as fast as possible.

8
9 PHMSA’s outreach to NARUC and state commissioners was considered critical to the
10 success of the initiative, so critical that Transportation Secretary LaHood addressed the
11 NARUC general assembly personally and I addressed the NARUC Gas Committee and
12 met with the FERC Chair and staff. The reason was because the Department recognized
13 that in order to make the Call to Action succeed, it needed the commitment of states to
14 dedicate themselves to prioritizing safe pipelines for the public. Pipeline operators must
15 have an environment that lowers operating and funding barriers that could delay the
16 replacement of high-risk pipelines. Because of the time delay in recovering costs using
17 traditional ratemaking authority, the Department encouraged alternative expedited
18 funding mechanisms such as the one adopted here in Maryland. Fortunately, some
19 states had already recognized the need for accelerated action and there were several
20 approaches for operators to consider when asking for additional funds to replace aging
21 infrastructure more quickly than previously planned. Maryland joined those states in
22 2013 when it enacted the STRIDE Act.

23
24
25 ⁵ See Testimony of Linda Dougherty, PHMSA Pipeline Safety Deputy Administrator for Programs,
[HTTPS://mgahouse.Maryland.gov/mga/play/36ec44e5420945288e70a25d4641def21d?catalog/03e481c7-8a42-4438-a7da-93ff74bdaa4c&playfrom=2992130](https://mgahouse.Maryland.gov/mga/play/36ec44e5420945288e70a25d4641def21d?catalog/03e481c7-8a42-4438-a7da-93ff74bdaa4c&playfrom=2992130).

TESTIMONY
WITNESS QUARTERMAN

1 In my capacity as Administrator, I, and members of PHMSA's staff sent letters to every
2 state (including Maryland) with a pipeline safety program asking for the current status of
3 pipeline infrastructure and plans to expedite high-risk pipeline removal. In July 2012,
4 Maryland Public Service Commission Then-Chairman Nazarian updated PHMSA on the
5 status of the state's aging distribution infrastructure.⁶ At that time, there were 360 miles
6 of bare steel main, 2 miles of ductile iron main and 1,422 miles of cast iron main.⁷ The
7 Commission reported that it had been "actively pressing Maryland's gas distribution
8 companies to accelerate the replacement of cast iron, ductile iron and bare steel mains."⁸
9 It further said that the operators had "triaged these replacements based on risk analysis
10 and the determination that within Maryland bare steel is a greater threat than cast iron.
11 However, that does not mean that they are ignoring their cast iron mains."⁹ The reported
12 infrastructure removal programs of Maryland's six operators varied from 5 years to an
13 undetermined date, with the vast majority of the cast iron pipe in the undetermined
14 timeline. The Maryland legislature itself responded strongly by enacting the STRIDE Act
15 in 2013, allowing utilities to accelerate recovery for replacement of the state's vintage
16 high-risk pipe. By adopting STRIDE, Maryland was in good company with forty-one
17 states and the District of Columbia that also established some sort of state infrastructure
18 replacement funding mechanism as of 2019.¹⁰

19 _____
20 ⁶ See Letter from Maryland Public Service Commission Chairmand Douglas Nazarian to David Appelbaum, PHMSA Office
of Pipeline Safety date July 11, 2012.

21 ⁷ *Id.*

22 ⁸ *Id.*

23 ⁹ *Id.*

24 ¹⁰ See American Gas Association, "State Infrastructure Replacement Activity" Report, Oct. 21, 2019,
<https://www.AGA.org/WP-content/uploads/2022/11/agastatereplacementactivity.docx>; see also National
25 Association of Regulatory Utility Commissioners, "Natural Gas Distribution Infrastructure Replacement
and Modernization; A Review of State Programs" report, January 2020,
[https://pubs.naruc.org/pub/45E90C1E-155D-0A36-31FE-
A68E6BF430EE?_gl=1*15x86qv*_ga*NzcvODg5NzI2LjE2ODQ0Mjg0NDI.*_ga_QLH1N3Q1NF*MTY5
Mjg0NTExOS4yNTguMS4xNjkyODE1Mzg2LjAuMC4w](https://pubs.naruc.org/pub/45E90C1E-155D-0A36-31FE-A68E6BF430EE?_gl=1*15x86qv*_ga*NzcvODg5NzI2LjE2ODQ0Mjg0NDI.*_ga_QLH1N3Q1NF*MTY5Mjg0NTExOS4yNTguMS4xNjkyODE1Mzg2LjAuMC4w;); see also examples of local distribution
companies' programs to expedite removal of cast iron and unprotected steel pipelines, Department of

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Materials Targeted in Call to Action

The 2011 Call to Action came on the heels of seismic change in the views of safety regulators in light of increasingly undeniable evidence. Specifically, while there had historically been a rule of thumb that many pipeline materials had an approximate life span in the 50 to 60 year time frame, the philosophy had changed to suggest that as long as a pipeline asset was well maintained and subject to good operating conditions, its life might be indefinite. Nonetheless, incident data pointed to serious concerns about certain pipeline materials that had been installed during earlier eras of pipeline construction. The Call to Action arose from an assessment of the accumulating evidence. Distribution lines were especially targeted because of their proximity to the public. The closer a pipeline is to a residence, business, or gathering place, the more likely an incident is to cause injury or death. In 2011, when the Call to Action was issued, it was clear that many natural gas distribution pipelines were still relying on pipeline assets that were well beyond their initially forecasted life span.

The Call to Action targeted the highest risk pipelines for repair, replacement, or rehabilitation, but there were certain pipeline materials that were deemed inherently unsafe based on past experience and data. Included among that designation was bare steel pipe, cast and wrought iron pipe and certain early vintage plastic pipes. Cast iron pipe has been of particular concern. As a pipeline material, cast iron presents special

Energy, Office of Energy Policy and Systems Analysis, “Natural Gas Infrastructure Modernization Programs at Local Distribution Companies: Key Issues and Considerations” January 2017 at 31-2, Table 2,
<https://www.energy.gov/sites/prod/files/2017/01/f34/natural%20gas%20infrastructure%20modernization%20programs%20at%20local%20distribution%20companies—key%20issues%20and%20considerations.pdf> (hereinafter “DOE Modernization Analysis”)

1 challenges. It is an alloy of iron and carbon, which may not appear to be damaged when
2 it corrodes, but leaves “a brittle sponge-like structure of graphite flakes.”¹¹ “A completely
3 graphitized buried cast iron pipe may hold gas under pressure but will fracture under a
4 minor impact, such as being hit by a workman’s shovel.”¹² Such graphitization “allows
5 far more dramatic failure modes such as rapid crack propagation, and circumferential
6 breaks. Such failures are potentially more severe than more ductile failure modes
7 commonly seen in today’s pipe materials.”¹³ To further complicate things, cast iron
8 cannot be welded or cut during repairs. In addition, extraordinary measures are needed
9 to protect cast iron pipelines that have been disturbed. These measures, including an
10 elaborate series of efforts to protect it from damage from vibration, impact, earth
11 movement, outside forces, and future excavations, must be invoked as well as
12 permanent protection from external loads.¹⁴ The mere exposure of cast iron to
13 investigate its condition can lead to leaks that could pose a threat to public safety. The
14 extraordinary measures required near cast iron pipe make it a difficult material to work
15 around in the modern underground. To put it more simply, cast iron should not be
16 repaired; it must be replaced.

17
18 Replacement – not repair – is consistent with long-standing federal safety standards.
19 Dating back to the early 1990’s, the National Transportation Safety Board (“NTSB”)
20 issued recommendations to PHMSA’s predecessor agency, the Research and Special
21

22 ¹¹ See PHMSA Guidance Manual for Operators of Small Natural Gas Systems, January 2017 at III-5,
23 [https://www.PHMSA.dot.gov/sites/phmsa.dot.gov/files/doc/small_natural_gas_operator_guide_%28januar
y_2017%29.pdf](https://www.PHMSA.dot.gov/sites/phmsa.dot.gov/files/doc/small_natural_gas_operator_guide_%28januar_y_2017%29.pdf).

24 ¹² *Id.*

25 ¹³ See PHMSA Part 192 Corrosion Enforcement Guidance at 150,
[https://www.PHMSA.dot.gov/sites/PHMSA.dot.gov/files/docs/corrosion_enforcement_guidance%27part192_1
2_7_2015.pdf](https://www.PHMSA.dot.gov/sites/PHMSA.dot.gov/files/docs/corrosion_enforcement_guidance%27part192_1_2_7_2015.pdf).

¹⁴ See 49 C.F.R. 192.755.

1 Programs Administration (“RSPA”), to:

2 Require each gas operator to implement a program, based on factors
3 such as age, pipe diameter, operating pressure, soil corrosiveness,
4 existing graphite damage, leak history, burial depth, and external
5 loading, to **identify and replace in a planned, timely manner cast-
6 iron piping systems that may threaten public safety.**¹⁵

7 RSPA issued twin safety alerts echoing the NTSB’s recommendations and reminding
8 operators that “[c]urrent pipeline safety regulations require that cast iron pipe on which
9 general graphitization is found to a degree where a fracture might result **must be
10 replaced.**”¹⁶ In addition, even if there is no immediate hazard, but the pipe is in
11 unsatisfactory condition, the operator is **required to initiate a program to recondition
12 or phase out the pipe involved.**¹⁷ Finally, it noted, any excavated cast iron pipe must
13 be protected against damage, such as enumerated above.¹⁸

14 Those decades old safety alerts remain in effect and are relevant to this day. What they
15 do not address is the practicalities of how to identify and survey effectively long buried
16 cast iron pipe that has not been exposed for another reason. Following the 2011
17 Philadelphia and Allentown incidents, PHMSA issued a further advisory bulletin
18 regarding cast iron distribution pipe.¹⁹ That advisory bulletin urged a comprehensive
19 review of an operator’s cast iron pipeline replacement program “to accelerate pipeline
20

21 ¹⁵ See NTSB Pipeline Accident Brief No. DCA90FP001 (Aug. 6, 1991) (emphasis added).

22 ¹⁶ See RSPA Alert Notice, ALN-92-02 (Jun. 26, 1992),
23 <https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/docs/RSPA%20Alert%20Notice%2092-02.pdf>, see
24 also RSPA Alert Notice (Oct. 11, 1991)(requiring identification and replacement of cast iron piping systems
25 that may threaten public safety),
26 <https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/docs/RSPA%20Alert%20Notice%2091-02.pdf>; 49
27 C.F.R. 192.489.

28 ¹⁷ *Id.*

29 ¹⁸ *Id.*

30 ¹⁹ See PHMSA Pipeline Safety: Cast Iron Pipe (Supplementary Advisory Bulletin), 77 Fed. Reg. 57 at
31 17119 (Mar. 23, 2012), <https://www.govinfo.gov/content/pkg/FR-2012-03-23/pdf/2012-7080.pdf>.

1 repair, rehabilitation, and replacement of aging and high-risk pipe” and to “develop and
2 continually update and follow their plans[,] and **consider establishment of mandated**
3 **replacement programs.**”²⁰ Fortunately, most states, including Maryland, rose to the
4 occasion and put in place programs focused on replacing the vintage high-risk materials
5 such as cast iron.

6
7 More recently, cast iron incidents have continued to occur, causing fatalities and injuries.
8 The causes include rainfall after drought conditions, earth movement, freeze-thaw
9 cycles, water erosion, improper backfill and compaction causing overload conditions,
10 subsidence (*i.e.*, ground shifting), and leaks at joints.²¹ This performance is consistent
11 with what DOT noted in its report on “The State of the National Pipeline Infrastructure”
12 in 2011:

13 One material that continues to be the focus of concern is cast
14 iron...the small diameter cast iron pipes have low beam strength and
15 are particularly susceptible to stresses from underground
16 disturbances, such as ground movement, freeze-thaw cycles, soil
17 erosion, undermining due to water main breaks, or nearby
18 excavation activities. Most cast iron problems have been with small
19 diameter, thin wall pipe. Larger, heavier pipe typically performs well,
20 especially if not subject to graphitization...and when they have
21 limited exposure to excavation damage.²²

19 These incidents point to the relative fragility of cast iron pipes and the importance of their
20 expedited removal.

21 Cast iron is not the only material that contributes to the threat to public safety. The Call
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23
24 ²⁰ *Id.* at 17120.

²¹ See PHMSA Cast Iron Inventory.

²² See

25 [HTTPS://www.PHMSA.dot.gov/sites/PHMSA.dot.gov/files/docs/secretarys%20infrastructure%20report_revised%20per%20phc_103111.pdf](https://www.PHMSA.dot.gov/sites/PHMSA.dot.gov/files/docs/secretarys%20infrastructure%20report_revised%20per%20phc_103111.pdf).

1 to Action targeted all high-risk materials in the Nation's pipeline system that had been
2 deemed over time to be obsolete or had a history of poor performance. After construction
3 of cast and wrought iron pipe began to be phased out, bare or uncoated steel pipe
4 became the material of choice on distribution pipelines up until around the early 1960s,
5 when plastic pipe became available, and the early 1970s, when regulations required
6 steel pipe to be coated. The absence of any coating on a steel pipe to protect it from
7 corrosion caused by its environment can lead to consequential failures. Certain early
8 vintage plastic pipe, installed from the 1960s to the early 1980s, have also been found
9 to be vulnerable to brittle-like cracking. In addition to particular pipe materials, certain
10 construction practices, such as dated welding and joining techniques, have been found
11 to lead to leaks.

12
13 These concerns have only increased since. Although cast iron distribution mains only
14 account for 1% of all distribution mains, they are responsible for 9% of all main-related
15 incidents.²³ Cast and wrought iron main incidents are also twice as likely to cause
16 fatalities and injuries (38% vs 19% on mains made of other materials).²⁴ Moreover, cast
17 and wrought iron mains account for disproportionate numbers of fatalities and injuries on
18 gas distribution mains (34% vs 16% on other mains).²⁵ These failure data led to the Call
19 to Action.

20 21 **Achievements of the Call to Action and the STRIDE Act**

22 In the US, pipelines were first installed in the 19th Century to transport manufactured gas

23 ²³ See PHMSA Cast and Wrought Iron Inventory, <https://www.PHMSA.dot.gov/data-and-statistics/pipeline-replacement/cast-and-wrought-iron-inventory>., (hereinafter "PHMSA Cast Iron Inventory").

24 ²⁴ *Id.*

25 ²⁵ *Id.*

1 to fuel gas streetlights in Baltimore, Maryland. Eventually, natural gas was produced
2 and used for heating, and pipelines proliferated in the early 1900s. Prior to the 1940s,
3 those early systems – such as the systems constructed in Maryland and Washington,
4 D.C. – and the initial pipes were made of cast or wrought iron and, later, bare steel pipe.
5 At the time of the Call to Action, in 2011, more than 50% of the nation’s active pipelines
6 were constructed before the 1970’s in response to the post-World War II building boom.
7 The first pipeline safety standards were not adopted until 1968, meaning any pipelines
8 constructed before then were not subject to any standardized safety requirements. Not
9 surprisingly, the earliest heavily populated cities and states are home to some of the
10 oldest and highest number of pipeline miles made of high-risk material. As a first
11 adopter, Maryland is one of those places, and today it currently relies on the 6th largest
12 percentage (5.7% cast iron) of the highest-risk distribution main pipeline materials in the
13 nation to serve its energy needs.

14
15 At the end of 2011, there were 33,669 miles of cast/wrought iron gas distribution main
16 and 15,408 service pipelines, or approximately 3% of the national gas distribution
17 system.²⁶ Since the Call to Action, as of the end of 2024, there remained 14,608 miles
18 of cast/wrought iron main and 6,058 services, or approximately 1% of the gas
19 distribution system. In other words, more than 55% of cast and wrought iron mains
20 and services in the United States have been retired since the Call to Action.²⁷ There
21 are now 25 states and one territory that have completely eliminated cast and wrought
22 iron gas distribution pipelines.²⁸ If one looks back to the three states specifically cited

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24 ²⁶ See https://portal.PHMSA.dot.gov/analytics/sawdl?portalpages&portalpath=%2fshared%2fpdm%20public%20website%2fci%20miles%2fgd_cast_iron (hereinafter “PHMSA Cast Iron Analytics”).

25 ²⁷ *Id.*

²⁸ See PHMSA Cast Iron Inventory.

1 by PHMSA as having excessively long cast iron replacement programs, one finds that
2 in the twelve years between 2011 and 2024, Pennsylvania (with formerly a 100 year
3 program), New York (with a former 80 year program), and Connecticut (with a former
4 79 year program) managed to retire 44, 52 and 43 percent of their cast iron main,
5 respectively, which, if they continue the pace, will have them complete removal in
6 approximately 30 years. That is an astounding achievement for pipeline safety.

7
8 The eight states with more miles of cast iron mains than Maryland in 2011 (accounting
9 for 24,790 miles or 72% of all the nation's cast iron mains), have since successfully
10 reduced their cast iron mileage by more than 50% (to 12,016 miles).²⁹ By comparison,
11 Maryland now has the seventh most cast iron with 63% of its cast or wrought iron mains
12 from 2011 remaining, leaving it behind the 43.3% average of all states that have since
13 removed cast iron pipes.³⁰ As recently as 2022, Maryland suffered two cast iron main
14 incidents in Baltimore resulting from failures of pipelines installed in 1904 and 1920.³¹
15 These vintage mains should not continue to fester. Maryland must continue to pursue
16 the expedited removal of cast iron, including eliminating barriers that slow the pace of
17 removal of cast iron where they exist.

18
19 Similar to cast and wrought iron, at the time of the Call to Action, 63,019 miles of bare
20 steel distribution main pipe and 2,859,197 services were in use. As of the end of 2024,
21 there were 33,573 miles of bare steel distribution main and 1,253,419 bare steel services
22 remaining. That amounts to a decrease of 47% in bare steel mains and 56% in services.

23
24
25 ²⁹ See PHMSA Cast Iron Analytics.

³⁰ *Id.*

³¹ <https://www.phmsa.dot.gov/data-and-statistics/pipeine-replacement/cast-and-wrought-iron-inventory>

1 Compared to other jurisdictions, Maryland had a relatively small inventory of bare steel
2 pipe with 97 miles of mains and 48,310 services as of the end of 2024. That is down
3 from 361 main miles and 97,448 services in 2011, approximately a 73% and 50%
4 decrease of bare steel main miles and services, respectively. So, great progress has
5 been made in removing bare steel pipelines, especially with respect to mains, from the
6 Maryland systems compared to the remainder of the country. This legislature should be
7 proud of that achievement and stay the course.

8
9 **Leak Repairs of High-Risk Pipe Are Not Long-Term or Cost-Effective Solutions**

10 As mentioned above, these high-risk pipeline materials have been in use well beyond
11 their intended life span and may require extraordinary measures once they are
12 disturbed. Allowing such safety conditions to persist until a leak occurs would be
13 imprudent and could be catastrophic as indicated by past fatalities and injuries related
14 to cast iron pipelines. PHMSA has two separate safety programs that gas utilities must
15 comply with: one is for repair of leaking facilities; the other require the proactive
16 identification and replacement of pipes. For the first program, PHMSA requires that
17 pipeline operators survey their distribution pipelines periodically, identify leaks and
18 repair them based on the urgency of the leak. The repair of those leaks is within the
19 operator's regular operating and maintenance requirements. By contrast, accelerating
20 the replacement or rehabilitation of the highest-risk pipe addressed in PHMSA's Call
21 to Action requires operators to take extraordinary action beyond the wait-and-see
22 approach of merely plugging leaks. Wise safety management mandates a more
23 proactive replacement-focused approach. Solely repairing vintage facilities does not
24 accomplish PHMSA's pipeline safety objectives or those of the State of Maryland,
25 which has adopted those same standards.

1
2 There is no question that replacing high-risk pipeline materials in Maryland has been
3 and will be expensive. However, when it comes to pipelines, safety must be Maryland's
4 top priority. I understand the desire to focus on the cost of replacing pipelines and how
5 that might affect rates. But there are also costs associated with ignoring safety needs
6 that could lead to catastrophic pipeline incident-related injuries and fatalities. The
7 choice is simple. Maryland should not gamble that high-risk, aged pipelines will
8 continue to provide reliable service until electrification occurs. Federal pipeline safety
9 standards demand replacement action. As recently as January 2024, PHMSA
10 reported to Congress that "[r]eplacement is the long-term solution to ensure [cast iron]
11 pipeline integrity."³² Any proposed "alternatives to replacement" are simply inadequate
12 and would leave Maryland natural gas pipelines non-compliant with federal guidelines.

13
14 **Climate Change Has Not Diminished Pipeline Replacement's High Priority**

15 The Call to Action remains an ongoing national concern. Congress enacted the
16 Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011, requiring the
17 Secretary of Transportation to conduct a survey to measure the progress that operators
18 were making in replacing cast iron gas pipelines, which PHMSA keeps current on its
19 website.³³ Although it has been more than a decade since the Department of
20 Transportation's initial Call to Action, the Department appears to remain laser focused
21 on ensuring that high risk pipe is removed from the natural gas distribution system as

22
23
24 ³²Letter to Senator Cantwell from Deputy PHMSA Administrator Tristan Brown dated August 30, 2024, attaching
Report on "Integrity Assessment of Distribution Pipelines" at App. D dated January 2024.

25 <https://www.PHMSA.dot.gov/sites/PHMSA.dot.gov/files/2024-09/Report%20to%20Congress%20-%20Integrity%20Assessments%20of%20Distribution%20Pipelines.pdf>.

³³ Public Law 112-90, 125 stat 1904 (Jan. 3, 2012).

1 soon as possible. The initial Call to Action, follow up reports, Safety Alerts and
2 Advisories all remain in effect.

3
4 Moreover, the recently enacted Bipartisan Infrastructure Law of 2021 authorized a new
5 Natural Gas Distribution Infrastructure Safety and Modernization Grant Program to
6 repair, rehabilitate or replace municipal or community-owned distribution pipeline
7 systems to reduce safety incidents and avoid economic loss. The law appropriated \$1
8 billion to that cause for fiscal years 2022 through 2026, and PHMSA has issued more
9 than \$500 million in grants to communities and municipalities. It has granted funding
10 to the City of Richmond and Philadelphia Gas Works (“PGW”), that have systems that
11 are similar in age and composition to parts of Maryland. As shown by Congress’ action
12 and the PHMSA grants, replacement of high-risk pipe is an ongoing concern and focus
13 of federal safety activity.

14
15 In recent years, PHMSA has seen its authority expand to include minimizing
16 greenhouse gas (“GHG”) emissions. Congress passed the Protecting our
17 Infrastructure of Pipelines and Enhancing Safety Act of 2020 (“PIPES Act 2020”) to
18 strengthen PHMSA’s jurisdiction to minimize methane emissions to improve public
19 safety and the environment. This expansion of authority was in response to the
20 national goal to address climate change in keeping with its aggressive climate-related
21 timelines. One important mechanism to reach that goal is to reduce the GHG
22 emissions associated with the transportation of natural gas by pipeline. The need to
23 replace high risk pipelines is consistent with this goal. In its June 2021 Advisory
24 Bulletin addressing methane leaks, PHMSA reiterated that, in addition to addressing
25 emissions, the PIPES Act of 2020 also “requires [operator’s plans] to address the

1 replacement or remediation of pipelines that are known to leak due to their material
2 (including cast iron, unprotected steel, wrought iron, and historic plastics with known
3 issues...49 U.S.C. 60108(a)(2)(E)).”³⁴

4
5 In addition to DOT, other federal agencies, too, have remained committed to natural
6 gas pipeline modernization. In 2014, for example, DOE launched a Natural Gas
7 Infrastructure Modernization Initiative to improve safety and reduce methane
8 emissions by, among other ways, accelerating pipeline replacement. In 2016, NARUC
9 and DOE initiated a 3-year technical partnership on accelerating infrastructure
10 modernization and repair to gas distribution pipelines. From 2016 until 2024, the
11 Environmental Protection Agency (“EPA”) oversaw a Voluntary Methane Challenge
12 Partnership with local distribution companies (“LDCs”) many of which committed to
13 pipeline replacement projects to decrease methane emissions. While reducing
14 methane emissions has become an important federal policy, this has not meant a move
15 away from accelerating pipeline replacements. Indeed, pipeline replacements play a
16 key role in reaching that goal, as acknowledged by many federal agencies and
17 Maryland (e.g., by enacting its 2022 Climate Solutions Now Act). Accelerated pipeline
18 replacement through STRIDE already provides a double win – improving public safety
19 and addressing GHG emissions. The modifications proposed at this time, however,
20 would erode the ability of gas utilities to achieve the same pace of emissions reductions
21 going forward.

22
23
24
25 ³⁴ See PHMSA Advisory Notice, Pipeline Safety: Statutory Mandate to Update Inspection and
Maintenance Plans to Address Eliminating Hazardous Leaks and Minimizing Releases of Natural Gas
from Pipeline Facilities (Jun. 3, 2021), https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/2021-06/PHMSA%20Advisory%20Bulletin%20-%20PIPES%202020%20Section-114_0.pdf.

1 It is in the best interest of Maryland and all states to keep all alternative energy options
2 open and to maintain energy diverse sources as the new energy future develops. The
3 reliable and safe provision of natural gas service, in particular for purposes of heating, is
4 an energy security issue. Other states that do not maintain a robust natural gas
5 distribution system have faced severe and significant consequences during extreme cold
6 weather events in recent years. In particular, states such as Texas are struggling to
7 bring power to their electric grid and maintain service reliability during winter months. A
8 pointed, close-to-home reminder of the importance of energy diversity and the
9 challenges to electrification occurred during Winter Storm Elliott over the 2022 Christmas
10 holiday weekend. During this event, PJM Interconnection, LLC was barely able to
11 maintain service in its 13-state Mid-Atlantic service area. Relatedly, the North American
12 Electric Reliability Corporation recently reported in its annual long-term reliability
13 assessment that half of the United States is at a high risk of an electric power shortfall in
14 the next decade.³⁵ The need for Maryland to continue to maintain safe and reliable gas
15 distribution infrastructure into the future is further supported by these realities.
16

17
18 Maryland may ultimately need to meet its climate goals through a combination of
19 approaches beyond its current focus on electrification, given the challenges the state is
20 experiencing with generation availability and affordability, and natural gas distribution
21 companies across the Nation and the world are piloting projects to use existing natural
22 gas infrastructure to transport hydrogen and renewable natural gas as part of a lower
23

24
25

³⁵ <https://www.nerc.com/news/Pages/Urgent-Need-for-Resources-over-10-Year-Horizon-as-Electricity-Demand-Growth-Accelerates,-2024-LTRA-Finds.aspx>

1 carbon future. The United States' extensive existing natural gas pipeline infrastructure
2 makes it an ideal candidate for those energy alternatives should they prove
3 technologically and financially feasible. It is important for Maryland to prepare itself for
4 that future by replacing vintage materials.

5
6 **Conclusion**

7 I urge this Committee to continue to support the STRIDE Act and not break away from
8 continuing accelerated removal of high-risk natural gas pipe as Maryland advances its
9 climate goals. In addition, I suggest that the state ensures that all affected agencies
10 prioritize removal of high-risk pipe in the fastest, safest, most environmentally
11 responsible, and least costly manner possible for Maryland residents.

12
13 It is of the utmost importance that all pipes be operationally safe and reliable when
14 customers require service. Replacement of high-risk pipelines are clearly necessary to
15 ensure their safety and reliability in Maryland. Since the Call to Action was issued,
16 Maryland's cast iron replacement has lagged somewhat behind that of the average state.
17 It is not time to break stride, but instead for Maryland to continue its efforts. In addition
18 to cast iron, the Maryland pipeline system contains other high-risk pipeline that PHMSA
19 has targeted for removal, including bare steel, vintage mechanically coupled wrapped
20 steel pipe, wrapped steel pipe without cathodic protection, copper pipe and pre-1975
21 vintage plastic pipe. It is imperative for public safety that the Maryland legislature
22 continue the STRIDE Act to fund removal of vintage pipe in Maryland, and that it removes
23 barriers that would reduce the effectiveness of this regulatory tool that is so critical to
24 public safety.
25

TESTIMONY
WITNESS QUARTERMAN

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HB1253_MDCC_Break STRIDE Act_UNFAV.pdf

Uploaded by: Hannah Allen

Position: UNF



House Bill 1253

Position: Unfavorable

Committee: Environment & Transportation

Date: March 10, 2026

Founded in 1968, the Maryland Chamber of Commerce (the Chamber) is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic growth for Maryland businesses, employees, and families.

House Bill 1253 (HB 1253) would repeal key provisions that currently allow natural gas utilities to develop long-term infrastructure replacement plans and recover associated costs through the regulatory framework established under the STRIDE program. This program has played an important role in enabling utilities to systematically replace aging gas infrastructure while maintaining safety and reliability for Maryland customers.

Eliminating this framework may slow the replacement of aging infrastructure, potentially increasing safety risks and long-term costs for customers. The current approach provides regulatory oversight while allowing utilities to plan multi-year investments that modernize pipelines, improve system reliability, and reduce methane leaks.

Maryland businesses depend on safe, reliable, and affordable energy to operate. Undermining the state's existing infrastructure investment framework could disrupt ongoing projects and ultimately increase costs for employers and consumers alike.

For these reasons, the Maryland Chamber of Commerce respectfully requests an **unfavorable report on HB 1253**.

Oppose HB 1253 - Break STRIDE Act.pdf

Uploaded by: Jason Ascher

Position: UNF



**7050 Oakland Mills Road
Suite 180
Columbia, MD 21046**

**Phone: 410-290-3890
www.midatlanticpipetrades.org**

Environment and Transportation

To: Delegate Marc Korman, Chair; Delegate Michelle Guyton, Vice Chair; Members of the Committee
From: Jason Ascher, Political Director, Mid-Atlantic Pipe Trades Association

HB 1253 – Gas Companies – Infrastructure Investments – Cost Recovery and Customer Notification (Break STRIDE Act)

On behalf of the Mid-Atlantic Pipe Trades Association and our four local unions and over 11,000 members across Maryland, I am asking you to **OPPOSE HB 1253**.

While the bill may be intended to alter how gas infrastructure investments are reviewed and recovered, the practical effect will be to significantly slow or halt critical infrastructure projects that support thousands of good-paying jobs across Maryland.

Currently, gas utilities must move forward with long-planned infrastructure replacement projects that ensure system reliability and safety while supporting a large workforce, including pipefitters and welders who are our members. Repealing the existing cost-recovery structure and creating new barriers to infrastructure investment will inevitably delay or cancel these projects. This would eliminate good union construction jobs.

Infrastructure replacement programs support steady employment for skilled tradespeople and local contractors. These jobs support families and are not easily replaced. Along with the wages, these jobs help fund healthcare and retirement savings for our members and their families. If utilities cannot recover investments predictably, they will cut back on projects, leading to fewer construction crews and opportunities for workers along the supply chain.

The effects go beyond just construction jobs. Local manufacturers, equipment suppliers, trucking companies, and small businesses that provide materials and services for infrastructure projects will also be affected. When major infrastructure investments slow down, these ripple effects spread throughout the entire economy.

Maryland should focus on maintaining safe and reliable infrastructure while protecting the workforce that builds and maintains it. Policies that create uncertainty in infrastructure planning risk harming both objectives. Slowing investment in critical energy infrastructure will reduce job opportunities and weaken a sector that offers stable middle-class jobs.

For these reasons listed above, I urge you to **OPPOSE HB 1253**

Sincerely,
Jason Ascher
Political Director
Mid-Atlantic Pipe Trades Association

Plumbers and Gasfitters Local 5 – Lanham, MD
Plumbers and Steamfitters Local 10 – Richmond, VA/Roanoke, VA
Plumbers and Pipefitters Local 110 – Norfolk, VA
Plumbers and Pipefitters Local 74 – Newark, DE

Plumbers and Steamfitters Local 486 – Baltimore, MD
Steamfitters Local 602 – Capitol Heights, MD
Road Sprinkler Fitters Local 669 – Columbia, MD

HB1253 Julio Palomo PBWLDC, LiUNA (UNF).docx.pdf

Uploaded by: Julio Palomo

Position: UNF



March 10, 2026

The Honorable Marc Korman, Chair
The Honorable Michele Guyton, Vice Chair
Environment and Transportation Committee
250 and 251 Taylor House Office Building
Annapolis, MD 21401

**Testimony of Julio Palomo, President & Assistant Business Manager of the
Philadelphia/Baltimore/Washington Laborers' District Council on
HB 1253: Gas Companies – Infrastructure Investments – Cost Recovery and Customer Notification
Position: UNFAVORABLE**

Thank you Chair Korman, Vice Chair Guyton, and members of the committee for the opportunity to provide testimony on HB 1253. My name is Julio Palomo. I am the President and Assistant Business Manager of Philadelphia/ Baltimore/ Washington Laborers' District Council. We are an affiliate of LiUNA – the Laborers' International Union of North America.

LiUNA strongly opposes HB 1253. We have more than 5,000 members who live and work in Maryland. And more than a thousand of our members work on contracted-out gas pipeline replacement projects for BGE, Washington Gas, and Columbia Gas. Pipe replacement programs like STRIDE are critical to ensuring the safety of our communities. It is bizarre that these important life-safety programs have become the target of a political crusade, but politics does not change the fact that the STRIDE program protects lives and property.

The purpose of STRIDE is to keep buildings from exploding. The STRIDE Program began during the Presidency of Barack Obama when his Administration's Pipeline and Hazardous Materials Safety Administration ("PHMSA") issued a Call-to-Action for Accelerated pipe replacement programs that have dedicated funding mechanisms. In making this Call-To-Action, PHMSA was motivated by a series gas pipeline accidents in San Bruno, California, Philadelphia, Pennsylvania, and Allentown, Pennsylvania that all occurred in 2010 and 2011 and which involved the terrible loss of life and property that occurs when inadequate attention is paid to the integrity of pipeline infrastructure.

The ongoing need for STRIDE was demonstrated just two weeks ago. On February 27, 2026, there was a gas explosion in Beltsville Maryland. One Maryland resident was hospitalized, but fortunately, no one was killed. This explosion is a reminder that Maryland's aging gas infrastructure remains dangerous and needs to be repaired to avoid tragedy.

If HB 1253 is adopted, it would cause many more disasters like the explosion in Beltsville. HB 1253 would command gas companies to leave leaky, corroded pipes in the ground for two years before they could be replaced. If the General Assembly passes HB 1253, then in the future every time a gas line explodes, any legislator who votes for it will have to answer to the public as to why they passed a law that prohibited a gas company from fixing that pipe before it could be replaced.

HB 1253 proposes a reckless policy that endangers real lives. It also endangers jobs. HB 1253 is a job-killing bill that will tie up the gas infrastructure construction industry in bureaucratic notice requirements that will make most construction infeasible. Hundreds of LIUNA members will lose their jobs, and the gas distribution system in Maryland will become increasingly more dangerous.

In sum, this bill is bad policy. There are many better ways to advance renewable energy in ways that do not endanger Maryland residents nor kill good, family-supporting union jobs. For these reasons, LiUNA urges the committee to issue an unfavorable report on HB 1253.

Testimony in Opposition of HB1253 on LH.pdf

Uploaded by: Michael Canales

Position: UNF



PLUMBERS LOCAL UNION NO. 5

UNITED ASSOCIATION OF JOURNEYMEN AND APPRENTICES OF THE PLUMBING AND PIPE FITTING INDUSTRY OF THE UNITED STATES AND CANADA, AFL-CIO

4755 Walden Ln. Lanham, MD 20706 • 301-899-7861 (T) • 301-899-7868 (F)



March 6, 2026

House Environment & Transportation Committee
250 Taylor House Building
Annapolis, MD 21401

Testimony in **Opposition** of the “Break STRIDE Act,” HB 1253

Chair Korman, Vice-Chair Guyton, and Members of the Committee:

This testimony is submitted on behalf of UA Plumbers and Gasfitters Local #5. Our members are the licensed professionals who install, repair, and maintain Maryland’s natural gas systems every day. We take a great deal of pride in this work because it plays a direct role in keeping Maryland’s communities safe, the communities that our members live and raise their families. For that reason, we respectfully ask the Committee to **oppose** HB 1253, the “Break STRIDE Act.”

For the skilled plumbers and gasfitters of Local #5, programs like STRIDE are critical to maintaining steady, long-term employment in a highly specialized trade. Our members are the ones out in the field doing the work; digging trenches, installing modern piping, removing old hazardous outdated piping materials, and safely reconnecting systems in homes and businesses to reliable service. If enacted, HB 1253 would significantly reduce the amount of pipeline replacement work happening across the state and would put hundreds of family-supporting jobs at risk.

STRIDE was established for an important reason: safety. The law was Maryland’s bipartisan response to a nationwide call from the U.S. Pipeline and Hazardous Materials Safety Administration urging states to speed up the replacement of aging, leak-prone natural gas pipelines. At the time, many Maryland communities still relied on cast iron, bare steel, and mechanically coupled pipe running beneath homes, schools, and businesses—materials that are known to corrode, crack, and leak over time.

Since then, the STRIDE program has delivered clear and measurable results. Between 2019 and 2022, leaks on Maryland’s natural gas system dropped by more than 40 percent. That progress is directly tied to pipeline replacement projects completed under STRIDE by highly trained union professionals. These improvements go beyond numbers on a page. Fewer leaks mean fewer emergency calls, fewer neighborhood evacuations, and lower safety risks for families throughout the state.

For our members, it’s something they see firsthand in the course of their work. They know neighborhoods are still relying on pipes that were installed decades ago. They understand what can happen when replacement work is delayed, and they know that safety and reliability must remain the top priority.

For these reasons, and on behalf of the thousands of skilled workers who help keep Maryland’s energy infrastructure operating safely, we urge the Committee to reject HB 1253. Ending STRIDE would weaken an important safety program, put critical jobs at risk, and leave Maryland’s aging natural gas system more vulnerable at a time when millions of residents still depend on it.

Thank you for your consideration and the opportunity to submit testimony.

Sincerely,

Michael Canales
Assistant Business Manager

Terria “T” Smalls
Business Mgr. / Financial Sec-Treas.

Michael S. Canales, Jr.
Asst. Business Manager

Anthony A. Solis
Business Rep. and Organizer

Julius Wright
Business Rep. and Organizer

HB1253_WGL_Crossley_UNF.pdf

Uploaded by: Nakhia Crossley

Position: UNF



1000 Maine Avenue, SW | Suite 600 | Washington, DC 20024 | www.washingtongas.com

COMMITTEE: ENVIRONMENT AND TRANSPORTATION

TESTIMONY ON: HB 1253 GAS COMPANIES - INFRASTRUCTURE INVESTMENTS - COST RECOVERY AND CUSTOMER NOTIFICATION (BREAK STRIDE ACT)

POSITION: OPPOSE

HEARING DATE: MARCH 10 AT 1:00 PM

WASHINGTON GAS RESPECTFULLY SUBMITS THIS STATEMENT IN **OPPOSITION** TO **HOUSE BILL 1253 – GAS COMPANIES - INFRASTRUCTURE INVESTMENTS - COST RECOVERY AND CUSTOMER NOTIFICATION (BREAK STRIDE ACT)**

About HB 1253

HB 1253 fundamentally changes how the Public Service Commission evaluates pipeline infrastructure by repealing the statutory framework that currently allows gas companies to file accelerated infrastructure replacement plans for PSC review while recovering related safety costs through a structured, capped surcharge. Instead, the bill requires all future pipeline investments—regular and accelerated—to be reviewed solely through traditional rate cases and prohibits the PSC from using alternative regulatory tools beginning October 1, 2026. HB 1253 also imposes a new obligation on gas companies to shift to higher risk leak repair programs rather than replacing obsolete infrastructure. This shift forces necessary safety investments into more frequent, expensive, and less predictable rate proceedings, increasing regulatory costs and creating greater volatility and financial risk for customers.

Background

In 2011, following several major pipeline incidents nationwide, the Obama Administration issued a national call to action urging states and utilities to accelerate the replacement of aging, risk-prone infrastructure. This framework was reaffirmed and strengthened under the Biden Administration, which has emphasized proactive risk reduction and leak mitigation. Washington Gas operates under a federal safety framework established by the U.S. Department of Transportation’s Pipeline and Hazardous Materials Safety Administration (PHMSA).

STRIDE was enacted by the Maryland General Assembly in 2013 as a statewide framework to accelerate the replacement of aging natural gas infrastructure. The legislation passed with bipartisan support. In 2013, the Senate approved the STRIDE bill (SB 8) by a vote of 34 to 13, and the House approved the companion bill (HB 89) by a vote of 119 to 17. These strong majorities

reflected a shared commitment across party lines to improve safety, modernize infrastructure, and protect Maryland communities.

In 2025, the General Assembly enacted significant reforms to STRIDE through the Next Generation Energy Act of 2025. The Commission recently issued an order announcing that it will open a rulemaking to develop standards for utilities to implement those changes. The rulemaking has not yet occurred, and utilities have not yet had the opportunity to file revised plans under the new statutory requirements. Because last year's reforms have not been implemented or evaluated, there is no factual basis for concluding that further policy change is necessary. It would be premature for the General Assembly to repeal or significantly modify STRIDE when the effects of the 2025 legislation have not yet been realized.

Federal Safety Requirements

PHMSA rules require gas companies to have a continuing surveillance, maintenance, and replacement program for pipelines that are hazardous or in unsatisfactory condition. Washington Gas has met this requirement by including the PHMSA program elements in the Company's written Distribution and Transmission Integrity Management Programs (DIMP and TIMP). Once a gas company formally adopts its DIMP and TIMP, the programs are enforceable against the operator by PHMSA or a state utility commission. PHMSA and the Commission audit DIMP and TIMP every five years to ensure that the gas utility is actually reducing risk in its system. Failure to comply with DIMP and TIMP can subject a gas utility to civil penalties. Accelerated replacement of leak-prone piping, as enabled by STRIDE, is specifically called out in the Integrity Management Programs.

Congress affirmed longstanding federal pipeline safety policy in the PIPES Act of 2020, which mandates that operators update their DIMP and TIMP plans to replace or remediate pipe based on material, design, or operational history.

Commitment to Public Safety

Washington Gas's highest priority is the safety of the Maryland communities we serve. Every aspect of our operations is centered on identifying, reducing, and eliminating risks to the public in line with PHMSA requirements. Modernizing aging infrastructure is critical to preventing incidents, reducing leaks, lowering greenhouse gas emissions, and maintaining reliable service. STRIDE has been the primary mechanism that allows this safety work to proceed in a structured, predictable manner. To date, STRIDE has enabled Washington Gas to remove 162 miles of legacy pipe and achieve a 41 percent reduction in total system leaks over the past five years, which translates into approximately 175,000 metric tons of avoided greenhouse gas emissions. Repealing STRIDE would jeopardize this progress and risk curbing hard-won safety and environmental gains.

Customer Cost Impacts

Repealing STRIDE will increase long-term costs for Maryland customers. The STRIDE surcharge is capped at two dollars per month for residential customers and is designed to levelize cost impacts over time. Without STRIDE, utilities would be forced to recover federally guided safety investments through frequent and expensive general rate cases. These proceedings impose higher regulatory and legal costs on customers and result in larger, less predictable rate adjustments. STRIDE avoids this volatility by providing a steady, measured approach to recovery that protects ratepayers while ensuring essential work continues.

Remaining Safety Critical Infrastructure

Maryland still has approximately 500 miles of STRIDE-eligible pipeline remaining in Washington Gas's territory. Roughly 300 miles are located in Montgomery County and just under 200 miles are in Prince George's County, affecting approximately 88,000 customers. These pipelines represent some of the highest risk materials in our system. Replacing this aging infrastructure also supports more than 1,000 jobs per year, helping maintain a skilled workforce dedicated to improving safety and reliability. Without STRIDE, the pace of this critical work is at risk of slowing significantly, creating greater long-term safety concerns for the communities we serve.

Public Service Commission Oversight

It is important to be clear that Washington Gas does not determine the pace, scope, or cost of STRIDE investments. The Public Service Commission exercises full oversight through five-year plans and annual reviews of proposed projects. The PSC evaluates every investment, adjusts spending levels as it finds appropriate, and determines what costs may be recovered from customers. STRIDE does not diminish or bypass Commission authority. It simply provides a transparent, structured mechanism for the PSC to manage essential safety work efficiently and consistently.

Nonpipeline Alternatives and Leak Detection and Repair Requirements

HB 1253's requirements for a nonpipeline alternatives (NPA) analysis and expanded leak detection and repair evaluation to all future planned gas infrastructure projects does not align with established federal safety practices and would not provide meaningful safety or cost benefits to Maryland customers. Leak detection and repair is, by design, a reactive program focused on identifying and resolving existing leaks on the system. HB 1253 would seem to allow for only these reactive, emergency repairs¹ without significant additional lead time, as discussed below. PHMSA guidance differentiates this approach from proactive integrity management, which requires gas utilities to identify aging, leak-prone materials such as cast iron and bare steel- and replace them on a risk-based- schedule to prevent future failures. Repairing isolated leak points on

¹ The language of HB 1253 defines "planned gas infrastructure investment" as meaning any non-emergency investment in the replacement, upgrade, or construction of a portion of a gas company's gas system.

vintage pipe does not change the underlying condition or lower the risk of the remaining asset and, in many cases, can worsen instability when the material is disturbed. By contrast, replacing leak-prone pipelines removes the long-term risk entirely and ensures compliance with national safety expectations to minimize both the likelihood and consequences of releases.

The bill's requirement to analyze NPAs at the project level is similarly impractical and unsupported by available evidence. Experience from states that have piloted NPA programs, most notably New York, shows that such analyses lead to substantial administrative effort, long delays, and minimal results. Over more than two years, utilities there evaluated hundreds of potential electrification-based alternatives but succeeded in retiring only small segments of main at very high cost, often exceeding the cost of conventional replacement. These programs require full customer participation before even a few feet of main can be removed, creating prolonged uncertainty and delaying work on assets already identified as high risk. The outcomes are even less transferable to Maryland, where Washington Gas is a gas only utility without the electric side data or infrastructure integration needed to conduct such evaluations efficiently.

Washington Gas disagrees with any focus on consideration of NPAs at the project level. Specifically, the Company believes NPAs are most applicable at the system planning stage, rather than in later project development stages. This ensures the Company considers only new and replacement infrastructure components which are needed, after consideration of the effect of demand side NPAs. When not related to safety, an analysis of cost-effective options to defer, reduce, or eliminate the need to replace, upgrade, or construct new system components and an analysis of NPAs, are existing requirements. As an example, the Company notes that it has proposed nine proactive abandonment projects (without replacement) in its 2026 STRIDE Project Plan.

HB 1253 also removes the requirement that an NPA must be cost effective, which means that Maryland gas customers will likely pay more for repairs than replacement over the remaining life of risky assets. That approach directly contravenes the energy affordability concerns expressed by the General Assembly in this session. In the rare instances in which an NPA might be considered from an engineering perspective, the analysis should consider commercial availability, cost effectiveness and affordability and, most importantly, risk reduction. Unless an NPA reduces risk by at least the same amount as replacement, it does not meet federal guidelines on mitigating risk of obsolete infrastructure.

Two-Year Customer Notice Requirement

HB 1253 also introduces a two-year customer notification requirement before any planned pipeline replacements may proceed; a provision that is inconsistent with how infrastructure planning, risk assessment, and customer behavior function in Maryland. Washington Gas's experience shows no evidence of widespread customer interest in electrifying in response to pipeline work. Customers can already choose to discontinue gas service at any time, and STRIDE work does not limit that option. Imposing a two-year waiting period would add administrative cost, delay safety critical

projects, and undermine the annual risk-based analysis the Company performs to address new leaks and evolving system conditions. In practice, this delay would force Washington Gas to rely on outdated risk assessments, disrupt coordinated construction activities, and increase the likelihood that high-risk main or service lines must either be deferred or replaced inefficiently. Additionally, customers often lack financial ability, contractor availability, or desire to electrify even with extended notice, making the proposed window unlikely to meaningfully influence electrification decisions. Washington Gas's 2025 notification process illustrates this reality: nearly 2,500 Maryland customers received written notice and the opportunity to electrify within 180 days, yet not a single customer elected to do so. The Company's 2026 notification process yielded a similar result. Washington Gas issued 1,869 notices to its Maryland customers. Only one (1) customer responded, indicating they had already electrified their home. That customer has an inactive meter and would have been skipped for purposes of STRIDE replacement work. The Commission, likewise, has observed that there is no reason to expect significant numbers of customers to abandon gas service even with extended notice. HB 1253's customer notice requirement would impose delays, cost increases, and safety risks on entire neighborhoods without delivering meaningful customer benefits and should not be adopted.

Conclusion

For these reasons, Washington Gas respectfully urges an unfavorable report on HB 1253. Thank you for your attention and for your continued commitment to the safety and wellbeing of Maryland residents.

About Washington Gas

Washington Gas Light Company provides safe, reliable natural gas service to more than 1.2 million customers in Maryland, Virginia, and the District of Columbia. WGL has been providing energy to residential, commercial, government, and industrial customers for more than 177 years, and currently serves nearly 520,000 Maryland customers in Montgomery, Prince George's, Charles, St. Mary's, Frederick, and Calvert Counties. The Company employs over 600 employees in Maryland, and hundreds of outside contractors, plumbers, union workers, and other skilled tradespeople. The Company strives to improve the quality of life in our communities by maintaining a locally-based workforce, working with suppliers that represent and reflect the communities we serve, and giving back through its charitable contributions and employee volunteer activities. The Company, together with other natural gas distribution utilities, are responsible for delivering the primary source of heat to Maryland residential energy consumers, serving approximately one half of all Maryland households while providing critical energy services to residential, commercial, and industrial customers at one-third the cost of electricity on a per unit basis.

Contact:

Nakhia Crossley, Public Affairs Lead, Maryland, Washington Gas
M 571-683-0334 | nakhia.crossley@washgas.com

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Position: UNF

**INTERNATIONAL BROTHERHOOD OF TEAMSTERS
LOCAL UNION 96**

**5627 ALLENTOWN ROAD
SUITE 202
SUITLAND, MD 20746
OFFICE-240-619-3151 FAX-240-619-3168
EMAIL- TEAMSTERS96@COMCAST.NET**



**Testimony of Wilder Reed, President, Teamsters Local 96
Regarding HB 1253 – “Break STRIDE Act”
March 10, 2026**

Chair, Vice Chair, and Members of the Committee,

My name is Wilder Reed, and I am the President of Teamsters Local 96. I have lived in Maryland for 23 years, raised my eight children here in Anne Arundel County, and proudly represent nearly 1000 hardworking men and women who keep Maryland’s natural gas system operating safely every day. I am here to express our strong opposition to HB 1253, known as the “Break STRIDE Act,” because it threatens the safety of our communities, the reliability of the energy system Maryland depends on, and the livelihoods of the workers like myself who maintain it.

The STRIDE program was established in 2013 as Maryland’s response to a nationwide call from the U.S. Pipeline and Hazardous Materials Safety Administration urging states to accelerate the replacement of aging, leak-prone natural gas pipelines. STRIDE has worked exactly as intended: replacing old cast iron, bare steel pipes as it ages, ensuring that Maryland families are protected. Between 2019 and 2024, leaks on the Maryland natural gas system dropped by more than 41 percent, thanks directly to STRIDE-supported modernization work. Those gains were made possible because trained union workers were on the ground every day rebuilding the system from the bottom up.

For our members, this legislation directly threatens hundreds of jobs. These are good-paying careers with apprenticeship pipelines, family-supporting wages, and benefits that allow men and women to raise their families in dignity. When STRIDE stops, that work disappears.

Our members know firsthand what is at stake. They are the ones called out at midnight in freezing temperatures to address critical work that STRIDE helps prevent. They are the ones who see the corroded pipes come out of the ground and replace them with modern infrastructure built to last decades. And they are the ones who will lose stable employment if this legislature cuts off the very program designed to keep this work moving.

Maryland cannot afford to undermine the safety of its energy system, nor can it afford to push skilled jobs out of the state. The Break STRIDE Act puts both at risk. On behalf of the men and women of Teamsters Local 96, and the families, businesses, and communities that rely on safe, reliable natural gas service, I urge you to oppose this harmful piece of legislation.

Thank you for your time and consideration.

Sincerely,

DocuSigned by:
Wilder Reed

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Wilder Reed, President of Teamsters Local 96

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Position: INFO

KUMAR P. BARVE
CHAIR



FREDERICK H. HOOVER, JR.
BONNIE A. SUCHMAN
ODOGWU OBI LINTON
RYAN C. MCLEAN

PUBLIC SERVICE COMMISSION

Chair Marc Korman
Environment and Transportation Committee
250 Taylor House Office Building
Annapolis, MD 21401

RE: HB 1253 - Information - Gas Companies - Infrastructure Investments - Cost Recovery and Customer Notification (Break STRIDE Act)

Dear Chair Korman and Committee Members:

The Public Service Commission (the “Commission”) appreciates the opportunity to provide this informational testimony for HB 1253. In significant part, this bill deletes Public Utilities Article (PUA) § 4-210, which is the enacting statute for the Strategic Infrastructure Development and Enhancement Plan (STRIDE) program. Effectively, the bill repeals accelerated rate recovery for STRIDE-eligible gas infrastructure replacement projects through surcharges or through any alternative form of ratemaking, and also adds enhanced customer notice requirements for certain gas projects. This testimony provides some background information on STRIDE and some possible impacts of this bill.

STRIDE was enacted in 2013 to encourage gas utilities to address safety and reliability risks by replacing aging infrastructure. STRIDE allows gas utilities to recover the costs of eligible projects via surcharge contemporaneously with the project’s construction. This reduces the impact that regulatory lag might have on a utility’s infrastructure planning. Currently, Washington Gas Light Co. (WGL) is the only gas company in Maryland that is pursuing STRIDE eligible infrastructure projects pursuant to § 4-210.

This bill’s removal of the STRIDE statute will require gas utilities to file rate cases to realize cost recovery of gas infrastructure investment once those costs are approved. This could lead to a utility seeking to minimize or delay spending due to the lost time value of money between investment and opportunity to recover those costs in rates. It could also lead to more rate case activity as utilities will seek to more frequently recover their spend.

In 2024, the Commission issued Order No. 91168¹ requiring a 180-day customer notice for WGL’s STRIDE projects. The Commission also imposed a similar 180-day requirement on Baltimore Gas and Electric Co. (BGE) for certain non-STRIDE gas infrastructure replacement projects in Case No. 9711. Since those orders were issued, the Next Generation Energy Act in

¹ The Order was challenged and subsequently affirmed by the Commission in Order No. 91416.

2025 established a customer notification requirement “at least 6 months in advance of construction” for STRIDE eligible projects.

HB1253 also includes an advance customer notice requirement for any planned gas infrastructure investment² where an investor-owned gas company determines a non-pipeline alternative is not feasible. The company would need to provide at least 2 years' advance notice of construction to affected customers. The Commission would develop the customer notification form and develop regulations for these new requirements, in addition to enforcing compliance.

WGL and BGE have made repeated arguments that a 180-day notice requirement risks delays, disruptions, and increased costs. In considering these arguments, the Commission has found that a 180-day notice period is appropriate.³ It promotes the legislature’s policy goals related to beneficial electrification while only causing a brief delay to safety and reliability projects. An extended timeframe may impact the utility’s ability to effectively prioritize their work to address the highest risk gas infrastructure replacements.

Please contact Niki Wiggins, Director of Legislative Affairs, at irene.wiggins3@maryland.gov if you have any questions related to this informational testimony.

Sincerely,



Kumar P. Barve
Chair, Maryland Public Service Commission

² “Planned Gas Infrastructure Investment” means any non-emergency investment in the replacement, upgrade, or construction of a portion of a gas company's gas system.

³ See e.g. Commission’s *Order on Requests for Clarification and Reconsideration Regarding STRIDE Customer Notifications*, Order No. 91416, Case No. 9708 (2024).