

Senate Finance  
03/30/2021

**House Bill 890 – Natural Gas – Strategic Infrastructure Development and Enhancement – Surcharge and Plans**

**POSITION: SUPPORT**

Washington Gas supports House Bill 890, which modifies the Strategic Infrastructure Development and Enhancement (STRIDE) Program to efficiently operate within multi-year rate plans. STRIDE is an important program that ensures Maryland’s natural gas infrastructure remains safe and modern.

As you know, STRIDE enables gas utilities to accelerate pipeline replacement projects designed to improve public safety and system reliability. Utilities recover these costs through customer surcharges in “real-time” as the projects are completed throughout the year.

In 2020, the PSC approved a process allowing utilities to request multiyear rate plans.

HB 890 aligns the STRIDE program with the new multiyear rate plan design.

**How?**

The bill allows eligible project costs to be incorporated into base rates when those rates are adjusted during a multi-year rate plan.

This has the effect of “making room” in the surcharge to add new eligible projects, since existing projects will be moved to base rates as part of the adjustment.

Over time, this will increase overall investments, and further accelerate replacement.

HB 890 would not authorize utilities to increase the monthly cap or charge customers twice.

At our current pace, without this legislation, Washington Gas anticipates completion of our current STRIDE work by 2035.

For these reasons, Washington Gas respectfully requests a favorable report from the Committee.



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