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BILL NO.: House Bill 1253 – Break STRIDE Act
COMMITTEE: Environment and Transportation
HEARING DATE: March 10, 2026 (ENT)
SPONSOR: Delegates Behler, Boaf, 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.