

**BEFORE THE
PUBLIC SERVICE COMMISSION OF MARYLAND**

Washington Gas Light Company's
Application for Approval of a New Gas
System Strategic Infrastructure Development
and Enhancement Plan and Accompanying
Cost Recovery Mechanism

BEFORE THE PUBLIC
SERVICE COMMISSION OF
MARYLAND

CASE NO. 9708

**REQUEST FOR CLARIFICATION AND REHEARING OF THE MARYLAND
OFFICE OF PEOPLE'S COUNSEL**

The Office of People's Counsel requests clarification and rehearing of Commission Order No. 92207, which authorizes Washington Gas Light Company ("WGL") to proceed with its Strategic Infrastructure Development and Enhancement ("STRIDE") project list for 2026 despite the Commission making no findings that either the project list or WGL's STRIDE 3 plan (from which the list derives) complies with the STRIDE statute, as amended by the Next Generation Energy Act of 2025 ("NGEA").

The Commission should clarify whether it intends to review WGL's STRIDE 3 plan and WGL's 2027 and 2028 STRIDE project lists for compliance following the promulgation of regulations developed in RM 95, which the Commission initiated in Order No. 92207 to establish standards for NGEA compliance.

The Commission should grant rehearing of its decision to defer any decision on whether WGL's STRIDE 3 plan and 2026 project list comply with the NGEA until after the promulgation of regulations, because regulations are not necessary for the

Commission to determine compliance and the result of waiting for regulations will be that WGL's 2026 project list entirely evades NGEA compliance review.

In addition, OPC requests that the Commission amend its directive in Order No. 92207 regarding RM 95 to provide that the rulemaking should establish cost recovery standards not just for Public Utilities Article ("PUA") § 4-210(e)(6), which concerns cost recovery under STRIDE, but also for PUA § 4-214, which concerns the recovery of planned gas infrastructure investments in gas company rate cases.

BACKGROUND

The General Assembly passed the NGEA on April 7, 2025. Among other things, the law amends the STRIDE statute to "allow for the *appropriate* acceleration" of gas infrastructure improvements in Maryland only when they are "necessary to ensure safety and improve reliability" and are "consistent with State policy."¹ The NGEA also imposes additional requirements on the contents of STRIDE plans² and additional conditions on a gas company's ability to recover costs associated with eligible infrastructure replacement projects.³ Under the NGEA, the Commission must find not only that the investments and

¹ See Md. Code Ann., Pub. Util. ("PUA") § 4-210(b) (emphasis added).

² STRIDE plans must now describe "each eligible infrastructure replacement project, including the project's expected useful life," demonstrate that the gas company "has selected and given priority to projects based on risk to the public and cost-effectiveness," provide "an analysis that compares the costs of proposed replacement projects with alternatives to replacement, including leak detection and repair," and provide "a plan for notifying customers affected by proposed projects at least 6 months in advance of construction." PUA § 4-210(e)(2). The Act specifies that a customer notification plan must provide for "(i) an initial notification of construction in a manner determined by the Commission; (ii) at least two subsequent notifications of construction in a manner determined by the Commission; and (iii) the communicating of: (1) a complete and accurate description of project activities; and (2) any other information the Commission considers necessary to evaluate the plan." PUA § 4-210(e)(3).

³ For a gas company to recover costs associated with eligible infrastructure replacement projects, its STRIDE plan must demonstrate "customer benefits" and that the company has "analyzed available cost-

estimated costs of eligible infrastructure replacement projects are reasonable and prudent and designed to improve public safety or infrastructure reliability, but also find that the investments are “required to improve the safety of the gas system after consideration of alternatives to replacement.”⁴

On May 6, 2025—after the General Assembly passed the NGEA but before it took effect—OPC filed comments in Case No. 9707 recommending that the Commission review existing STRIDE plans to ensure compliance with the NGEA and direct changes to those plans and future projects under them to ensure compliance with the law.⁵

On September 5, 2025, OPC filed a request for clarification of Commission Order No. 91791 in Case No. 9707, concerning NGEA implementation, among other things.

OPC stated:

Given that the NGEA became effective on June 1, 2025, OPC requests that the Commission clarify the timeline by which it plans to address issues identified in Order No. 91791 that are implicated by the NGEA. NGEA compliance requires more immediate action than will occur under a procedural schedule that will be adopted for the Commission’s investigation into long-term natural gas company planning practices. Separate from the long-term planning investigation, the Commission should require utilities to update existing STRIDE plans to comply with the NGEA and also invite briefing from the parties on the NGEA’s additional conditions on cost recovery for gas infrastructure investments. We recommend that both the compliance filings and the briefing on conditions for cost recovery occur in the next four to six weeks, which will enable the Commission to issue guidance on these NGEA matters by the end of the year.⁶

effective options to defer, reduce, or remove the need to replace, construct, or upgrade components of the gas company’s distribution infrastructure, including leak detection and repair,” and “met any other requirements established by the Commission.” PUA § 4-210(e)(6).

⁴ PUA § 4-210(f)(3).

⁵ Comments of the Office of People’s Counsel, Case No. 9707, ML # 318634 May 6, 2025).

⁶ Request of Maryland Office of People’s Counsel for Clarification and Comments on Preliminary Matters, Case No. 9707, ML # 322166 (September 5, 2025) at 6-7.

On August 1, 2025, WGL filed a Revised Calendar Year 2025 STRIDE Project List. On September 29, 2025, OPC filed comments on WGL’s revised project list. OPC did not object to WGL’s proposed revisions to the list, but urged the Commission to require WGL to refile its STRIDE 3 plan and direct any appropriate modifications to the revised plan to ensure conformity with the law.⁷

Following a hearing on October 1, 2025 the Commission issued an October 21, 2025 letter order (“October 2025 letter order”) stating that “the Commission agrees with OPC that it has the authority to review previously approved STRIDE plans and should do so subject to the law that exists at the time of the review.”⁸ On this basis the Commission directed WGL, within 60 days, to (1) justify how its current STRIDE 3 plan complies with the NGEA, or (2) submit proposed revisions to its plan that would bring the plan into compliance with the NGEA.⁹ In a footnote, the Commission’s October 2025 letter order stated that “[u]ntil such time as the Commission may modify WGL’s current plan following WGL’s filing in response to this order, this order does not affect ongoing work under WGL’s previously approved STRIDE 3 plan.”¹⁰

On October 31, 2025, WGL filed its 2026 project list without demonstrating that its project list complied with the NGEA’s requirements regarding cost recovery. With

⁷ OPC Comments on WGL’s Revised Calendar Year 2025 STRIDE Project List, Case No. 9708, ML # 322817 (Sept. 29, 2025) at 2.

⁸ Letter Order to WGL regarding Revised 2025 STRIDE Project List, Case No. 9708, ML # 323749 (October 21, 2025). This letter order was not docketed to Case No. 9708 until October 29, 2025 and Order No. 92207 describes it as the Commission’s “October 29, 2025 letter order.” *See* Order No. 92207 at 6.

⁹ *Id.* at 2.

¹⁰ October 2025 Letter Order at 2, n. 5.

respect to NGEA compliance, WGL relied on the Commission’s footnote regarding “ongoing work” to maintain that the execution of its STRIDE 3 plan should continue business-as-usual until the Commission modified the company’s plan.¹¹

On December 15, 2025, OPC filed comments on WGL’s 2026 project list filing, arguing that the Commission should deny WGL’s request to approve an entire year of business-as-usual projects until WGL demonstrated that its 2026 project list complied with the NGEA.¹² The Commission considered WGL’s 2026 project list filing at the December 17, 2025, administrative meeting and took it under advisement.

On December 20, 2025, WGL filed an NGEA compliance filing in response to the directive in the Commission’s October 2025 letter order.¹³

On December 29, 2025, the Commission invited interested parties to comment on WGL’s compliance filing by January 30, 2026. Also on December 29, 2026 the Commission issued a letter order (“December 2025 letter order”) ¹⁴ noting that WGL’s compliance with the NGEA was not resolved at the December 17, 2025 administrative meeting, reaffirming statements from its October 21, 2025 letter order, defining “ongoing work” to mean a WGL STRIDE 3 project with an “active” business case authorization

¹¹ OPC Comments on Washington Gas Light Company’s 2026 STRIDE Current Factor and 2026 STRIDE Project List, Case No. 9708, ML # 325353 (Dec. 15, 2025) at 4.

¹² *Id.* at 1.

¹³ WGL Response to Letter Order on Next Generation Energy Act, Case No. 9708, ML # 325541 (December 20, 2025).

¹⁴ Letter Order to WGL on 2026 STRIDE Project List, Case No. 9708, ML # 325900 (December 29, 2025). Initially this letter order was not docketed to Case No. 9708. At OPC’s request the order was docketed, but the docket entry erroneously indicates that the letter order was issued on January 7, 2026.

(“BCA”), and authorizing WGL to proceed with WGL’s proposed CY2026 STRIDE Project List only for BCAs with active status prior to December 29, 2025.¹⁵

On January 27, 2026, WGL filed a Motion for Reconsideration, or Alternatively, Petition for Rehearing of the Commission’s December 2025 letter order.¹⁶ On January 29, 2026 the Commission issued a notice requesting comments on WGL’s request for rehearing or reconsideration.¹⁷

On February 26, 2026, the Commission issued Order No. 92207. That order approves WGL’s 2026 STRIDE project list and surcharge on the grounds that whether the list complies with the NGEA “cannot be resolved within Case No. 9708.”¹⁸ Rather, “the NGEA compliance standard requires further consideration in a rulemaking proceeding by all parties, including other gas companies, that may be impacted.”¹⁹ Order No. 92207 establishes RM 95 for the purpose of developing such standards for STRIDE plans and annual project lists.²⁰

In addition, Order No. 92207 rescinds directives in the Commission’s December 2025 letter order that establish when STRIDE work should be considered “ongoing work,” such that WGL can pursue it without showing that it complies with the NGEA.²¹ Order No. 92207 does not explicitly address whether WGL’s STRIDE 3 plan (as opposed

¹⁵ *Id.*

¹⁶ WGL, Motion for Reconsideration, or Alternatively, Petition for Rehearing of the December 29, 2025 Letter Order, Case No. 9708, ML # 326585 (Jan 27, 2026).

¹⁷ Notice of Request for Comments, Case No. 9708, ML # 326621 (Jan 29, 2026).

¹⁸ Order No. 92207 at 4.

¹⁹ *Id.*

²⁰ *Id.* at 5.

²¹ *Id.* at 7.

to the company's 2026 project list) complies with the NGEA. But the Commission's directive that the RM 95 regulations cover NGEA compliance requirements for both STRIDE plans and STRIDE project list implies that a decision that plan compliance likewise cannot be resolved within Case No. 9708.

ARGUMENT

I. The Commission should clarify whether it intends to review WGL's STRIDE 3 plan and 2027 and 2028 project lists for compliance with the NGEA.

The Commission should clarify whether it intends to decide whether WGL's STRIDE 3 plan and the company's 2027 and 2028 project lists comply with the NGEA, following the promulgation of regulations developed in RM 95.

Order No. 92207 affirms the Commission's decision in its October 2025 letter order that WGL need not demonstrate NGEA compliance for "ongoing [STRIDE] work" but also rescinds the Commission's definition of "ongoing work."²² Moreover, while the Commission again acknowledges²³ that PUA § 4-210(l)(1) authorizes the Commission to review a previously approved plan, it does not state whether it intends to exercise this authority over WGL's STRIDE 3 plan.

Taken together, the Commission's statements suggest that the Commission may now consider "ongoing work" under WGL's STRIDE 3 plan to include all future work that the company will execute under that plan—and therefore that the Commission may intend not to review the plan at all. The Commission should clarify whether it intends to

²² *Id.*

²³ *See* October 2025 letter order at 2 ("The NGEA explicitly authorizes the Commission to review a previously authorized plan.").

allow WGL to proceed with all future work under its STRIDE 3 plan to proceed without demonstrating NGEA compliance.

II. The Commission acted arbitrarily and abused its discretion by allowing WGL to proceed with its 2026 project list without showing that the list and the company’s STRIDE 3 plan comply with the NGEA.

A. It is unnecessary for the Commission to promulgate STRIDE regulations before determining whether WGL’s STRIDE 3 plan and 2026 project list comply with the NGEA.

The NGEA took effect on June 1, 2025 and the Commission held in its October 2025 letter order that it “has the authority to review previously approved STRIDE plans and should do so subject to the law that exists at the time of the review.”²⁴ In its December 2025 letter order, the Commission restricted WGL’s ability to execute its 2026 STRIDE project list pending a determination that the company’s STRIDE 3 plan complies with the NGEA, authorizing WGL to proceed with the 2026 list “only for BCAs with Active status before the date of this order.”²⁵ But in Order No. 92207 the Commission demurred from deciding “the core issue” of whether WGL’s 2026 project complies with the NGEA, holding that the issue “cannot be resolved within Case No. 9708”²⁶ and instead “requires further consideration in a rulemaking proceeding by all parties, including other gas companies, that may be impacted.” The Commission provided three grounds for its decision, none of which justifies the decision.

²⁴ October 2025 letter order at 2.

²⁵ December 2025 letter order at 2.

²⁶ Order No. 92207 at 2.

First, the Commission cites “the positions of the stakeholders on this matter,”²⁷ by which it apparently means that WGL, OPC, Commission Staff, the Maryland Energy Administration, Sierra Club, and the Chesapeake Climate Action Network hold conflicting positions regarding how the NGEA should be applied to STRIDE plans approved before the law’s enactment. But rulemakings are unnecessary to resolve disputes among parties in litigated proceedings—the Commission routinely resolves such disputes through evidentiary proceedings and by hearing legal argument. The Commission provides no reason for why these approaches should be inadequate to determine whether WGL’s STRIDE 3 plan and 2026 project list comply with the NGEA.

Second, the Commission states that “other gas companies may be impacted by any standards for NGEA compliance.”²⁸ This statement implies that a decision on WGL’s STRIDE 3 plan and 2026 project list in Case No. 9708 would establish general standards for NGEA compliance—but there is no reason why this should be the case. Although such a decision might be *precedential* to future decisions concerning other STRIDE plans’ compliance with the NGEA, it would not establish a general rule any more than a Commission order in an individual case ever does. Other gas companies will certainly be affected by the regulations developed in RM 95 (that is, if one or more other gas companies file a STRIDE plan in the future). But there is no reason why the Commission cannot decide the compliance of WGL’s STRIDE 3 plan and 2026 project list based on

²⁷ *Id.* at 4.

²⁸ *Id.* Currently, WGL is the only gas company with an approved plan and no other company has applied for a plan.

the record developed in Case No. 9708 and then establish general rules through a rulemaking.

Third, the Commission cites “the need for further analysis” as a reason for establishing regulations for NGEA compliance before making a determination on WGL’s STRIDE 3 plan and 2026 project list.²⁹ But rulemaking proceedings do not have a monopoly on analysis, which can just as easily be performed in a STRIDE docket, and in addition subjected to scrutiny through an evidentiary hearing.

The logical corollary of the Commission’s conclusion that it cannot decide whether WGL’s STRIDE 3 plan complies with the NGEA until after a regulatory rulemaking is that if another gas company filed a STRIDE plan today, the Commission would be unable to make a decision until after the conclusion of the RM 95 rulemaking. But because that rulemaking is unlikely to be finished until late 2026 or early 2027, such a delay would violate PUA § 4-210(f)(1), which provides that the Commission must take final action to approve or deny a STRIDE plan within 180 days after it is filed. This is an absurd result.

B. WGL’s 2026 STRIDE project list will entirely evade NGEA compliance review as a result of the Commission’s decision.

Order No. 92207 directs Commission Staff to propose NGEA regulations within 120 days of the Commission’s order, i.e., by June 16, 2026. The Commission will then solicit comments on the proposed regulations and may conduct a legislative-style hearing on the issues they present. Eventually, the Commission will hold a rulemaking

²⁹ Order No. 92207 at 4.

conference and (presumably) approve regulations, which will be subject to further public comment after publication in the Maryland Register.

Given the June deadline for Staff’s proposal of regulations and the many additional steps that must occur before regulations are adopted, it is extremely unlikely that the regulations developed in RM 95 will be promulgated before the end of 2026. Even if they were, it would be impossible for the Commission to conduct proceedings by the end of the year to determine whether WGL’s 2026 project list complies with the NGEA—let alone for any determination to affect WGL’s execution of the list. Consequently, WGL’s 2026 project list will entirely evade review under the NGEA, despite the fact that the NGEA’s amendments to the STRIDE statute took effect seven months before the start of 2026.

Because the NGEA does not explicitly address how the amendments to PUA § 4-210 should be applied to previously approved STRIDE plans, the Commission has discretion to determine the mode of application. But after correctly concluding that it should review WGL’s STRIDE 3 plan and 2026 project list under the NGEA, it is arbitrary and an abuse of discretion for the Commission to retreat from conducting that review without a reasonable basis for doing so.

III. The Commission should direct that RM 95 should establish cost recovery standards to implement both PUA § 4-210(e)(6) and PUA § 4-214(c).

As discussed above, the Commission can and should decide whether WGL’s STRIDE 3 plan and 2026 project list comply with the NGEA without first promulgating regulations to implement the NGEA’s amendments to PUA § 4-210. Nonetheless, OPC

supports the promulgation of regulations to codify standards for NGEA implementation. Those regulations should, however, also establish cost recovery standards for both PUA § 4-210(e)(6) and PUA § 4-214(c), because both statutes require a gas company to demonstrate customer benefits and analyze alternatives to pipeline replacement as a condition for cost recovery.

As amended by the NGEA, PUA § 4-210(e)(6) provides that for a gas company to recover the costs of STRIDE investments, it must demonstrate:

- (i) customer benefits; and
- (ii) that the gas company has:
 - 1. analyzed available cost-effective options to defer, reduce, or remove the need to replace, construct, or upgrade components of the gas company's distribution infrastructure, including leak detection and repair; and
 - 2. met any other requirements established by the Commission when setting rates under this title.

Similarly, PUA § 4-214(c) provides that for an investor-owned gas company to recover reasonable and prudent costs for planned gas infrastructure investments in a rate case, it must show:

- (1) the customer benefits of the investment;
- (2) that the investor-owned gas company analyzed cost-effective options available to defer, reduce, or eliminate the need to replace, upgrade, or construct new components, including an analysis of:
 - (i) for new investments unrelated to safety, nonpipeline alternatives;
 - and
 - (ii) leak detection and repair; and
- (3) the estimated risk reduction associated with a safety-related investment, if applicable.

Although the two statutes are not identical, both provide that gas companies must demonstrate customer benefits of planned gas infrastructure investments and show that

they have considered alternatives to replacement. The Commission should therefore use the RM 95 rulemaking to establish regulations that implement both statutes. Doing so will promote administrative economy. Moreover, if the RM 95 rulemaking does *not* address cost recovery under PUA § 4-214, the Commission will be left to develop standards for PUA § 4-214(c) in individual rate cases—precisely the situation that the Commission wishes to avoid with respect to PUA § 4-210.³⁰

CONCLUSION

For the reasons stated above, the Commission should: (1) clarify whether it intends to review WGL’s STRIDE 3 plan and WGL’s 2027 and 2028 STRIDE project lists for compliance, following the promulgation of regulations developed in RM 95; (2) grant rehearing of its decision to defer any decision on whether WGL’s STRIDE 3 plan and 2026 project list comply with the NGEA until after the promulgation of regulations; and (3) amend its directive concerning RM 95 to provide that the rulemaking should establish cost recovery standards not just for PUA 4-210(e)(6), but also for PUA § 4-214.

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³⁰ Similar to OPC’s position that a rulemaking is not necessary to implement PUA § 4-210(e)(6) as discussed in this brief, our support for establishing standards for cost recovery to implement PUA § 4-214(c) in a rulemaking does not mean a rulemaking is necessary for the Commission to decide cost recovery issues in gas company rate cases (such as WGL’s current case, Case No. 9849) prior to adopting regulations.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 30th day of March, 2026, the foregoing Request for Clarification and Rehearing of the Maryland Office of People's Counsel was e-mailed to all parties of record in this proceeding.

/electronic signature/

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