

**LEGISLATION TO ACCELERATE THE REPLACEMENT OF  
AGING NATURAL GAS UTILITY INFRASTRUCTURE  
THROUGH A MORE STABLE AND PREDICTABLE RATE RECOVERY PROCESS  
FOR RATEPAYERS**

- Portions of the natural gas delivery infrastructure is no fit for service and needs to be replaced due to life cycle and efficiency issues.
  
- In many instances, the current system of recovery for replacement costs limits utilities' ability to make accelerated replacements and also results in potential rate shock for ratepayers.
  
- The draft legislation allows for more immediate cost recovery for the replacement of qualified infrastructure through a public utility commission approved "rider" to the current utility rate plan.
  
- Qualified aging infrastructure would be limited to those portions of the gas delivery system that are (1) significantly outdated, (2) whose replacement would not produce additional revenue for the gas utility, and (3) whose replacement has the potential to avoid greenhouse gas emissions.
  
- Replacing aging infrastructure means fewer repairs, lower maintenance costs, improved reliability and reductions in service interruptions.
  
- The aging infrastructure rider would allow for more immediate replacement of such infrastructure and would ensure that ratepayers are not subjected to potentially shocking rate increases through the traditional rate case process.
  
- Ratepayer benefits from this legislation:
  - § Reduced maintenance costs and improved reliability and safety
  - § Environmental benefits including greenhouse gas reductions
  - § Decrease costs to customers from "lost and unaccounted for" gas
  - § The addition of needed jobs for state(s)