

A Resolution Encouraging Natural Gas Line Investment and the Expedited Replacement of Distribution Lines

Whereas, the safe and reliable delivery of natural gas to homes and businesses is of paramount importance to Commissioners and staffs of the member organizations of the National Association of Regulatory Utility Commissioners; and

Whereas, America's natural gas utilities continue to invest in the modernization of their infrastructure in order to provide safe, adequate and reliable delivery of natural gas and services to consumers at a reasonable cost; and

Whereas, based upon the encouragement of the federal government and state regulatory commissions, regulated utilities are addressing future safety and reliability concerns by meeting new federal and state standards by accelerating the replacement of cast iron and outdated pipe with new technologies and materials; and

Whereas, it is critical that state regulatory policies must set a clear path forward so that companies may plan and design multiyear investment programs with confidence; and

Whereas, due to the competitive nature global economy, a modern state regulatory framework is paramount in order to attract the capital necessary to modernize and expand the local distribution system within our country; and

Whereas, innovative rate designs that supplement traditional rate mechanisms, such as surcharges, trackers, deferral accounts, accelerated depreciation and rate stabilization are working to expedite the replacement and expansion of the pipeline system, and allow regulated utilities to address current and emerging industry issues through a timely, cost-effective and transparent recovery of infrastructure investment; and

Whereas, the value proposition for natural gas is evolving, creating new economic growth opportunities for our country; and

Whereas, encouraged by the forecast of abundant and affordable natural gas for the foreseeable future; residential and commercial class customers are requesting natural gas service extensions and new connections; and

Whereas, present and future energy consumers are selecting natural gas due to its clean burning quality that reduces carbon dioxide emissions and particulate matter as compared to all other fossil fuels as well as being a critical asset in terms of its usefulness when used as a balancing fuel in combination with renewable energy; and

Whereas, in order to satisfy consumer demand, regulated natural gas utilities are adapting and modifying systems in order to provide for new products and services, such as natural gas vehicles, distributed generation and combined heat and power, just to name a few; and

Resolved, that the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its 2013 Summer Committee Meeting in Denver, CO, encourages state public utility commissions fully explore, examine and implement various innovative rate mechanisms that can be used to accelerate the replacement and expansion of pipelines.