



**Walter Wright, Jr.**  
wwright@mwlaw.com  
(501) 688.8839

# Natural Gas Distribution Infrastructure Replacement and Modernization/A Review of State Programs: National Association of Regulatory Utility Commissioners January 2020 Report

02/21/2020

The National Association of Regulatory Utility Commissioners (“NARUC”) issued a January 2020 report titled:

*Natural Gas Distribution Infrastructure Replacement and Modernization: A Review of State Program (“Report”)*

The Report is stated to be a product of the DOE-NARUC Natural Gas Infrastructure Modernization Partnership administered by the NARUC Center for Partnerships & Innovation.

The Report addresses what it describes as the “current landscape” for natural gas infrastructure modernization state programs at local distribution companies. Its objective is stated to be assistance in communication among state regulators on what states are doing to promote and facilitate replacement.

The role of state regulators is characterized as significant in supporting and encouraging “appropriate and responsible infrastructure modernization efforts.” Nevertheless, there is recognition that states have individual needs and must develop and approach that meets its specific regulatory obligations to ensure the safety of natural gas customers and the integrity of the system.

Arkansas is referenced in the Report as part of the discussion of the Southeastern states. It notes:

Through a series of decisions beginning in 1988, the Arkansas Public Service Commission (PSC) authorized the recovery of costs, including depreciation in certain instances, associated with the replacement of bare steel, cast iron and unprotected steel mains, unprotected coated steel mains, and mains that have been deemed unsatisfactory by a state or federal agency, as well as the relocation of meters deemed at risk. Those approvals were made in a series of decisions, affecting CenterPoint Energy, SourceGas Arkansas, and Arkansas Oklahoma Gas. In the case of Arkansas Oklahoma Gas, a settlement between the company and the state’s Attorney General, the PSC effectively “... recognize[d] the prevailing and prudent attitude of utilities and regulators alike that aging infrastructure must be addressed in order to enhance the system safety.”

Besides Regional Summaries the Report addresses background issues such as:

- State Regulatory Context

- National Replacement Status
- State Approaches

Appendices include:

- Bare Steel & Cast Iron Main Miles and Service Count by State and Utility Ownership
- Additional Useful References

Arkansas Public Service Commissioner, Kimberly A. O'Guin, is a member of the Board of Directors of the NARUC.

A copy of the Report can be downloaded [here](#).