

**Buy America –
Utility Company Operations Compliance Perspective**

**AASHTO Subcommittee on R/W & Utilities
April 17, 2013**

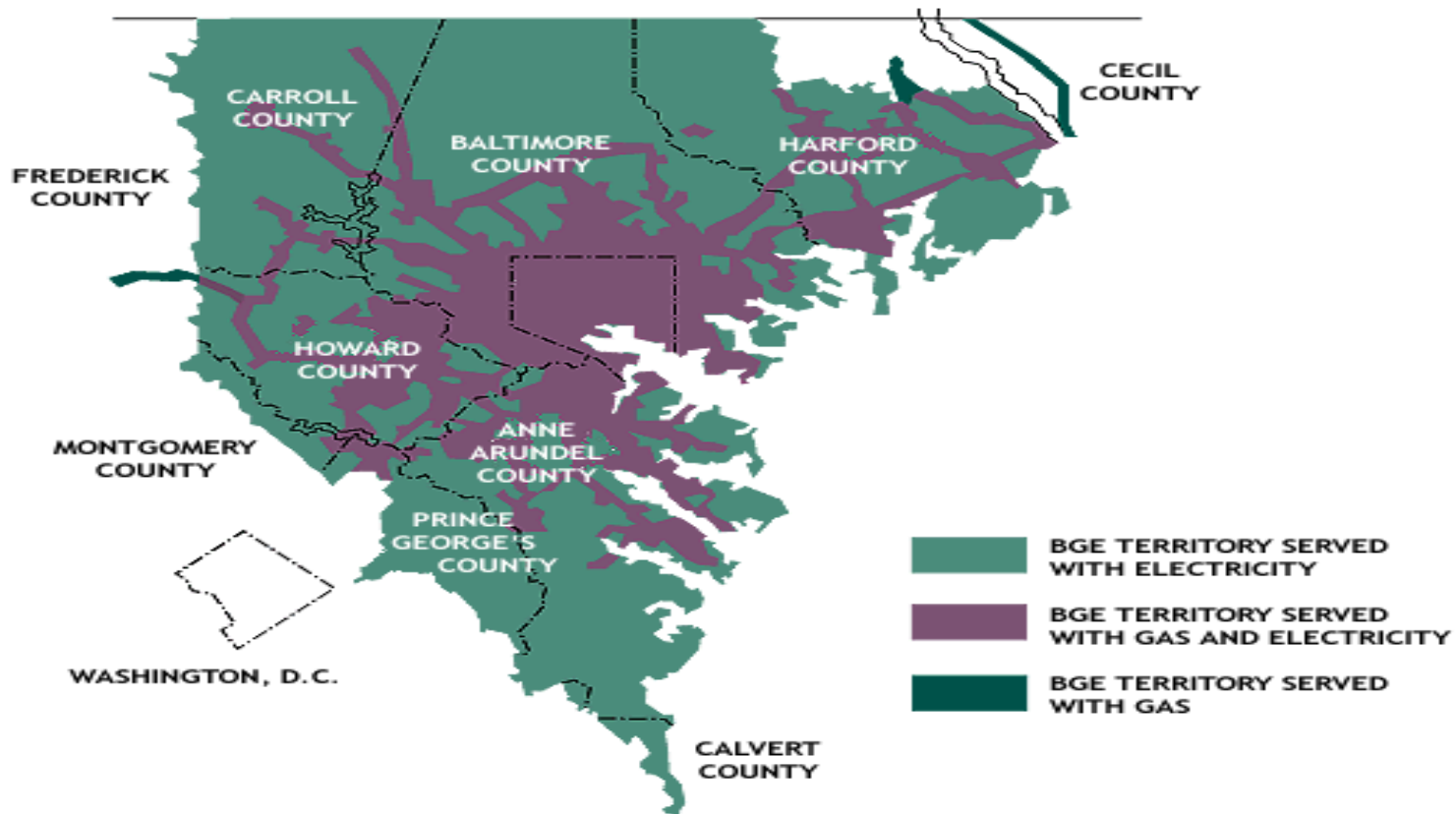


Buy America – Utility Perspective

- ▶ BGE is an investor owned electric and natural gas public utility serving 2M natural gas and electric customers in central Maryland
- ▶ Coordinates with the Maryland State Highway Administration
- ▶ Member of the American Gas Association
- ▶ Gas operations are under the regulation of the U.S. Department of Transportation – PHMSA and the Maryland Public Service Commission



BGE – Service Territory in Central Maryland



Buy America – Gas & Electric Utility Scope

- ▶ Utility work associated with highway projects is now covered by statute
- ▶ Typical impact is relocation of existing facilities (pipelines, electric OH/UG lines)
- ▶ Work is performed by utility company crews, utility company contractors, or within the highway contract by the general contractor
- ▶ Many utilities operate across several states



Buy America – Utility Focus: Utility Materials

- Unlike individual highway projects (i.e. bridge contracts), utilities perform routine work across the system not specific to road projects
- All utilities maintain stock materials for routine work, emergencies, and new service requests. Total yearly material spend exceeds \$75M
- Material specification is governed by Federal code (DOT), state regulations (PUC/PSC) and industry standards (ANSI/API/etc.) – current system standard materials
- Estimated materials impact (iron/steel criteria) associated with Buy America is requirements outside of current specifications
- Thus – potential need for special orders/customization which impacts project schedules

Potential cost impacts



Buy America – Utility Materials

- ▶ Limited supplier base – specialized products in a domestic and international marketplace
- ▶ Need to identify potential materials associated with Buy America
- ▶ Outreach to educate industry suppliers on the application of Buy America – new information
- ▶ Determine impacts and limitations on manufacturing processes
- ▶ Variations from the water/sewer/storm industry



Buy America – Considerations

- Material Certification:
- Different materials will require varied levels/types of documentation
- Certification acceptance effect on schedules
- Individual project material waivers not practical
- Guidance is essential



Buy America – Considerations for AASHTO

- ▶ Interest in industry certifications - database
- ▶ Advance notifications and identification of scope earlier in planning
- ▶ Guidance on cost reimbursement for additional materials acquisition
- ▶ Utility industry waivers – potential for support with FHWA
- ▶ PSC mandates material reliability which may not align with the FHWA mandate for Buy America
- ▶ Finding issues before they “hit the field”



Buy America – Utilities Compliance

- ▶ Thank you

- ▶ Steven J. Troch
Manager – Gas & Electric Compliance
steve.troch@bge.com

- Examples of Industry organizations:
 - AGA
 - INGAA
 - APGA
 - IEEE
 - PHMSA
 - State Public Service Commissions



