



An Exelon Company

Position Statement

Support with Amendments
Economic Matters Committee
02/13/2020

HB 408 Public Utilities - Gas Service Regulator Safety (Flower Branch Act)

Baltimore Gas and Electric Company (BGE) supports with amendments *House Bill 408 Public Utilities - Gas Service Regulator Safety (Flower Branch Act)*, which would require that any gas service newly installed at an occupied structure may have a gas service regulator installed only outside of the structure. The bill would also mandate that by October 1, 2025 any existing interior gas service regulator that services a multifamily residential structure be relocated to the outside of the structure.

BGE understands and shares the objective of House Bill 408 to prioritize the safety of our customers and infrastructure. BGE is committed to maintaining a safe and reliable gas system and has already instituted a number of programs and standards with the support and oversight of the Public Service Commission (Commission) to address gas meter and regulator safety. Through BGE's Vehicular Protection Program, the company has relocated of over 3000 meters and regulators in the past 2.5 years. Additionally, existing programs, such as 1) STRIDE (gas infrastructure upgrade and replacement), 2) the $\frac{3}{4}$ Service Renewal Program and 3) the company's outdoor meter standard that requires all new installations to be done outside with limited exceptions, are currently addressing gas infrastructure safety as proposed in this legislation.

However, the bill as introduced, produces several challenges and concerns that should be addressed to ensure a thoughtful and feasible approach to this effort. The bill defines "multifamily residential structure" as a building containing two or more dwelling units. This would capture structures such as duplexes or single-family homes with basement apartments. Within BGE's service territory, up to 100,000 locations could be affected by this legislation. If the scope of the legislation were adjusted to capture structures with "three or more" dwelling units, BGE's impacted locations would reduce to approximately 34,000. The vast scope of this legislation combined with its aggressive five-year timeline makes BGE's ability to comply with the bill's completion requirement infeasible.

Additionally, BGE has a unique situation in that its service territory has several densely populated areas such as Baltimore City that do not often provide for appropriate open outside space to allow for outside meter or regulator installations. The utility also has to take into consideration existing local and federal laws that prevent locating equipment on public rights of way, in historic locations or in conflict with the American Disabilities Act standards.

Furthermore, while BGE prioritizes safety of its system from a comprehensive lens, there is a need to consider the impact of prioritizing one safety program while potentially compromising the effectiveness of others.

To address concerns regarding the feasibility of the 2025 deadline and to grant the Commission flexibility to implement a relocation program as efficiently and safely as possible, BGE requests amendments to:

- Alter the definition of a multifamily residential structure to mean a building containing three or more dwelling units;
- Authorize the Commission grant a gas company a waiver from the 2025 deadline;
- Authorize the Commission to grant exemptions to the gas service regulator relocation requirements under certain circumstances; and
- Remove the requirement that a gas service regulator be relocated anytime a meter is replaced.

For these reasons, BGE respectfully urges the Committee to issue a favor with amendments vote on this legislation.

BGE, headquartered in Baltimore, is Maryland's largest gas and electric utility, delivering power to more than 1.2 million electric customers and more than 655,000 natural gas customers in central Maryland. The company's approximately 7,400 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC), the nation's leading competitive energy provider.

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PUBLIC SERVICE COMMISSION

February 13, 2020

Chairman Dereck E. Davis
Economic Matters Committee
House Office Building, Room 231
Annapolis, MD 21401

**RE: INFORMATION - HB 408 – Public Utilities – Gas Service Regulator Safety
(Flower Branch Act)**

Dear Chairman Davis and Committee Members:

Case No. 9622 *In the Matter of an Investigation of Washington Gas and Light Company Regarding a Building Explosion and Fire in Silver Spring, Maryland, on August 10, 2016* is currently pending before the Maryland Public Service Commission. The case was docketed following receipt of the National Transportation Safety Board (NTSB) Final Report on June 10, 2019 following its investigation of this incident, which resulted in 7 fatalities and 65 civilians transported to local medical facilities.¹ HB 408 seeks to prevent similar future occurrences by expanding some of the NTSB gas utility recommendations to all natural gas utilities in Maryland.

In accordance with the NTSB Final Report recommendations,² HB 408 requires that “any gas service newly installed at an occupied structure may have a gas service regulator installed only outside the structure.” Both PHMSA and HB408 require that gas service regulators shall be protected by installing them away from roads, driveways, parking areas or other locations exposed to vehicular traffic or other external forces that may damage them, or if locating them as desired is impractical, guards shall be installed to protect them.³

HB 408 introduces two new requirements that may create situations in which compliance is infeasible. Both requirements that (1) any existing interior gas service regulator be relocated outside whenever a gas service line, meter, or regulator is replaced; and (2) any existing interior gas service regulator servicing a multifamily structure to be relocated outside on or before October 1, 2025 may not be possible in all situations. There will be times when a utility cannot move regulators outside the structure. Situations which prevent relocation can include lack of space, traffic obstruction, and conflict with local/federal laws, such as historic preservation laws

¹ NTSB Final Report, Item #1 in Case No. 9622.

² P-19-001.

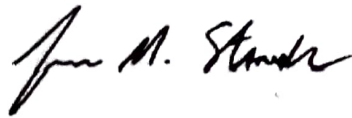
³ 49 CFR 192.353(a): Location - Each meter and service regulator, whether inside or outside a building, must be installed in a readily accessible location and be protected from corrosion and other damage. However, the upstream regulator in a series may be buried.

or the Americans with Disabilities Act. In other situations, it may not be feasible to have a long duration customer gas outage involving permitting and extensive pipe work to relocate an interior gas service regulator. This issue could be resolved by granting the Commission discretion to waive gas service regulator relocation requirements in certain instances.

Additionally, HB 408 will likely result in the reprioritization of other gas safety and reliability measures with potential unintended consequences. In 2011, following major natural gas pipeline incidents, PHMSA issued a call to action to accelerate the replacement of the highest-risk pipeline infrastructure that eventually led to STRIDE legislation⁴ in Maryland and many other states. Requiring utilities to move interior gas service regulators outside on or before October 1, 2025 and also whenever a gas service line, meter, or regulator is replaced may compromise safety and reliability priorities like STRIDE. There are limited qualified personnel and resources available to perform gas work in Maryland so projects must be prioritized appropriately.

The Commission recommends that HB 408 be modified to waive interior gas service regulator relocation requirements in situations where relocation of interior gas service regulators outside is determined to be infeasible. Thank you for your consideration of this information. Please contact Lisa Smith, Director of Legislative Affairs, if you have any questions.

Sincerely,



Jason Stanek
Chairman
Maryland Public Service Commission

⁴ STRIDE is codified in Section 4-210 of the Public Utilities Article, Annotated Code of Maryland.

NAIOP

MARYLAND CHAPTERS



THE ASSOCIATION FOR
COMMERCIAL REAL ESTATE

February 13, 2020

The Honorable Dereck E. Davis
House Economic Matters Committee
Room 231, House Office Building
Annapolis, MD 21401

Oppose: HB – 408 – Public Utilities – Gas Regulator Safety (Flower Branch Act)

Dear, Chair Davis and Committee Members:

The NAIOP Maryland Chapters represent more than 700 companies that develop and own commercial, industrial and mixed-use real estate. On behalf of our member companies, I am writing to express concern that the provisions of HB 408 apply to non-residential properties which is beyond the recommendations for residential occupancies made by the National Transportation Safety Board (NTSB) and the Pipeline and Hazardous Materials Safety Administration (PHMSA) in the aftermath of the tragic Flower Branch explosion and fire.

In its accident report recommendations NTSB directed the International Code Council, National Fire Protection Association and the Gas Technology Institute to make changes to codes and standards. These code changes were directed at gas regulator changes in residential occupancies with gas service. (NTSB *Flower Branch* report linked [here](#) see pg. 42) The changes were directed at multifamily residential buildings and both NTSB and the Maryland Public Service Commission order indicated that multifamily changes should precede changes to single family residential occupancies. The report does not mention changes to non-residential buildings.

Developers do not decide the placement of gas service regulators. It is our experience that in commercial and retail buildings gas service regulators are placed outside the building unless there is a compelling safety reason that justifies placing the equipment inside the building. While PHMSA regulations allow service regulators to be located inside or outside structures, the requirements for indoor regulators are more stringent than for outdoors and more stringent than those in effect when Flower Branch was built.

Gas service regulators placed outside are at risk for damage from vehicular traffic. PHMSA data shows that between 2005 and 2018 18% of gas line releases that resulted in a fatality or hospitalization were caused by vehicular damage to meter and regulators located outside of a building. (summarized by NTSB [here](#)) For these reasons PHMSA's recommendations related to the Flower Branch accident, (summarized by NTSB [here](#)) argued that each service installation be individually evaluated to determine the appropriate location of gas service regulators either inside or outside of the building based on site specific safety considerations. These safety issues are a concern for our members who own and manage distribution warehouses and other types of commercial buildings. The exterior of these buildings is typically dedicated to loading bays and truck courts limiting the opportunity for safe exterior installation of gas meters and regulators.

For these reasons NAIOP respectfully recommends your unfavorable report on HB 408.

Sincerely,

Tom Ballentine, Vice President for Policy
NAIOP Maryland Chapters -The Association for Commercial Real Estate

cc: House Economic Matters Committee Members
Nick Manis – Manis, Canning Assoc.