

Baltimore Gas and Electric Company (BGE) appreciates the opportunity to provide comments to the Health, Environment, and Technology Committee on the safety imperative for locating gas service regulators outside occupied structures.

Background

BGE is replacing its aging low-pressure gas infrastructure with a new higher-pressure system that will provide more reliable and resilient service to residents. A higher-pressure system can support high capacity and on demand appliances more efficiently. In addition, new piping installation significantly reduces methane emissions which reinforces BGE's commitment to the state's environmental goals. The upgraded system requires a gas regulator to reduce pressure from the service line to a lower pressure for safe distribution into the building. Although regulator failures are rare, a failed indoor regulator could lead to a catastrophic incident, as observed in Silver Spring's Flower Branch Apartments in 2016. Outdoor regulators mitigate this risk by venting outdoors and prevent gas from accumulating in a confined space. While some have noted the possibility of damage to outdoor regulators from vehicle strikes or other scenarios, those incidents pose significantly less risk for a catastrophic gas incident. BGE's safety practices are fully supported by the relevant regulations and tariffs, as provided on the next page.

Policy Consensus for Outdoor Regulators

BGE's safety practice to install gas service regulators outdoors aligns with the policy principles of federal recommendations, Maryland state law, and other regional gas companies.

The National Transportation Safety Board, a federal entity that investigates all major natural gas incidents, recommends that gas companies locate service regulators outside occupied structures whenever the companies replace a gas service line, meter, or regulator.

Maryland enacted a law that requires outdoor regulator installations for all new gas services in the State. In addition, the state law requires, with limited exceptions, the outdoor relocation of tens of thousands of existing regulators serving multi-family properties.

BGE's safety practice is consistent with other Mid-Atlantic gas companies regarding outdoor gas regulator installations. In addition, Delaware, Pennsylvania, and the District of Columbia, each have statutes that require the outdoor placement of most gas equipment.

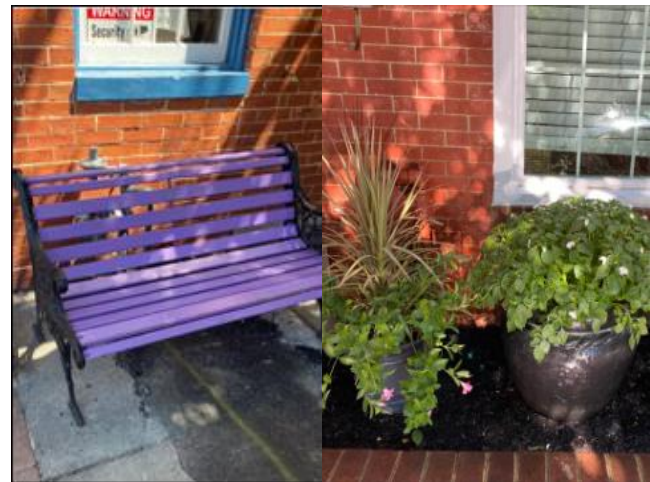
Aesthetic Concerns and Options

BGE appreciates customers' aesthetic concerns, including in historic neighborhoods, the company offers options to conceal gas service regulators:

- Structures may be placed in front of the equipment if they weigh 50 pounds or less or are at least 3ft. away from the regulator;
- Customers may paint the regulator, but should take care not to obstruct the vent opening; and
- BGE is evaluating concealment enclosures that safely vent natural gas and facilitate accessibility to BGE and emergency first responders.

Legal Proceedings

A group of customers obtained a temporary restraining order (TRO) to prevent BGE from compelling customers to allow outdoor regulator installation at their homes. BGE is complying with the TRO and will not install outdoor regulators without a customer's voluntary consent until BGE receives clear direction from the Public Service Commission (PSC).



The photos above are real world examples of customer solutions to conceal gas service regulators on their property.



AN EXELON COMPANY

The PSC initiated a proceeding to review this issue. It is critical that BGE receive timely direction to minimize the disruption of unfinished work across central Maryland and avoid uncertainty for our local, minority-owned firms and the 210 workers that execute these projects.

LEGAL AUTHORITY FOR GAS REGULATOR WORK AND TERMINATION OF SERVICE

1. Statutory Authority -- Public Utilities Article (PUA), Annotated Code of Maryland

- **PUA Section 5-303** requires that a public service company such as BGE “shall furnish equipment, services, and facilities that are safe, adequate, just, reasonable, economical, and efficient, considering the conservation of natural resources and the quality of the environment.”
- **PUA Section 7-313 (Flower Branch Act)** requires the placement of regulators outdoors whenever gas service is newly installed at an occupied structure, and requires the relocation of indoor regulators to the outside for multifamily structures whenever the gas service line or regulator is replaced.

2. Regulatory Authority – COMAR

- **COMAR Section 20.55.02.01** requires a gas company such as BGE to construct, install, maintain, and operate its gas plant in accordance with accepted good engineering practice in the gas industry to ensure, as far as reasonably possible, continuity of the service, uniformity in the quality of service furnished, and the safety of persons and property.
- **COMAR Section 20.55.03.01(B)** states that “Each utility shall file with the Commission a copy of its tariff which shall include: . . .B. Rules. The utility’s rules, or terms and conditions, describing the utility’s policies in rendering service.”
- **COMAR Section 20.31.02.02** provides that a utility may terminate service for a customer’s violation of or noncompliance with the utility’s tariff and rules on file with the Commission, for failure of the customer to fulfill their contractual obligations for service, and for failure to permit the utility access to its equipment located on or in the customer’s premises.

3. Applicable Gas Service Tariff Provisions

- **Part 2 (Terms and Conditions) Section 5 (Company’s Installation) Subsection 5.1 (Service Equipment Furnished by the Company)**: “The Company also furnishes, installs and maintains . . . (d) one or more pressure regulators where they are deemed by the Company to be necessary.”
- **Part 2 (Terms and Conditions) Section 2 (Conditions of Supply) Subsection 2.4(a) (Refusal or Discontinuance of Supply for Cause)**: “The Company may refuse or discontinue service and remove its property without being liable to the Customer . . ., for any of the following reasons: (a) Customer’s failure to comply with any of the provisions of the contract, or any applicable regulations of the Commission, or any of the Company’s applicable rules or practices currently in effect.
- **Part 2 (Terms and Conditions) Section 2 (Conditions of Supply) Subsection 2.4(f) (Refusal or Discontinuance of Supply for Cause)**: “The Company may refuse or discontinue service and remove its property without being liable to the Customer . . ., for any of the following reasons: (f) Customer’s failure to permit Company or its agents reasonable access to its equipment located on or in the customer’s premises.”
- **Part 2 (Terms and Conditions) Section 5 (Company’s Installation) Subsection 5.4 (Access to Company’s Equipment)**: “Permission is given the Company to enter the Customer’s premises at all reasonable times, for the purpose of reading its meters, and operating, inspecting, modifying and keeping in repair or removing any or all of its apparatus used in connection with the supply of gas.”
- **Part 1 (General) Section 4 (Interpretation)**: “The interpretation of the Tariff as to its intent and applicability will be made by the Company subject to the approval of the Commission.”