



Bill No: HB 408—Public Utilities—Gas Service Regulator Safety

Date: 2/13/2020

Position: Support

The Apartment and Office Building Association of Metropolitan Washington (AOBA) represents members that own or manage more than 23 million square feet of commercial office space and 133,000 apartment rental units in Montgomery and Prince George's counties. As such, AOBA members house thousands of Marylanders and take that responsibility seriously. For that reason, AOBA's membership supports HB 408 and anticipates that a requirement to relocate gas service regulators outdoors will increase safety in multifamily communities.

Community health and safety is of paramount concern to AOBA members, and we have seen firsthand the tragedy that results from malfunctioning gas service regulators. As drafted, AOBA believes this legislation will go a long way towards making communities safer-- simply by removing the gas service regulator from the building. While AOBA wholeheartedly supports this legislation for safety reasons, we also understand that the equipment at question does not belong to the property owner. Rather, gas service regulators belong to the utility company; thus, we believe that the utility company is responsible for the relocation and costs associated with relocating their equipment.

Further, we would like to highlight the dangerous and outdated mercury service regulators (MSRs) of which the utility company estimates there were as many as 77,860 in November 2019 throughout Montgomery and Prince George's Counties. Resulting from the National Transportation Safety Board's (NTSB) extensive investigation into the explosion at Flower Branch Apartments, NTSB recommended the utility company remove all remaining MSRs from their service territory. AOBA submits that work must be completed immediately and that customers should not be responsible for paying to replace these MSRs.

In 2002, Maryland customers paid rates set by the Public Service Commission (PSC) with the intention that the utility company would complete the replacement of antiquated equipment by 2013. The settlement in Public Service Commission Case No. 8920 from 2002, explicitly established that the agreed upon rate increase was predicated partly on the condition that the utility company complete the MSR replacement plan it initially proposed. Eight months later, in PSC Case No. 8959, the utility company filed another base rate case which sought approval for a rate adjustment to cover the accelerated pace of its MSR replacement. Over the ten-year period, the utility company replaced approximately 29,000 mercury service regulators.

AOBA understands that Washington Gas asserts that pressing and immediate safety concerns arose over the ten-year period between 2003 and 2013 which would naturally divert the

utility company's resources from proactive replacement of MSRs. However, AOBA asserts that consumers should not be responsible for once again paying for work that was already scheduled to be performed and already paid for in rates.

For these reasons, AOBA urges a favorable report on HB 408 and would support the bill going farther to tackle these mercury service regulators.

For further information contact Erin Bradley, AOBA Vice President of Government Affairs, at 301-261-1460 or ebradley@aoba-metro.org .