



February 10, 2020

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

Subject: Support

Dear Chairman Davis:

On behalf of The Kay Apartment Communities (“Kay”), I offer two amendments to House Bill No. 408 (“HB 408”): (i) the prohibition and removal of all *mercury* service regulators and (ii) the protection or insulation of multifamily building owners and managers as well as the residents of such buildings from the costs associated with the implementation of HB 408.

By way of introduction, my name is Clark Melillo and I am President of Kay, which is headquartered in Montgomery County, Maryland. As President, I am responsible for the management of approximately 12,000 apartments, of which 10,000 are located in Maryland. Kay also has 376 employees, many of whom reside in Maryland.

I submit this statement in support of Maryland HB 408 which, as proposed, would mandate the outdoor installation of new and the outdoor relocation of existing

gas service regulators. Specifically, the legislation requires the outdoor installation of newly installed gas service regulators and, on and before October 1, 2025, the outdoor relocation of gas service regulators currently located indoors. As drafted, HB 408 applies to multifamily residential buildings.

The legislation has the full support of Kay. Specifically, if enacted, HB. 408 will lessen the potential for accidents resulting from the proximity of gas service regulators to possible ignition sources and the removal of high pressure gas from inside buildings. The legislation, therefore, seeks to improve the safety of multifamily residential buildings, an issue I am confident that all interested stakeholders will support.

I also offer two suggestions or amendments to HB 408 that I hope will garner additional stakeholder support.

First, HB 408 should be amended to guarantee the removal of all currently installed *mercury* service regulators by a date certain. Many older homes and multifamily dwellings are equipped with mercury service regulators; if a mercury regulator is disturbed during installation, removal, relocation or building renovation, released mercury can become an invisible, odorless toxic vapor, posing a danger not only to any individual or resident exposed to the mercury, but to the environment as well. Safety and environmental concerns, therefore, dictate the prohibition and removal of all mercury service regulators.

Second, HB 408 should be amended to insulate multifamily building owners or managers as well as residents from the recovery of mercury service regulator costs already authorized by the Maryland Public Service Commission. Enactment of HB 408 will come at a cost – a cost that public utilities and their contractors will likely seek to recover or “pass along” to consumers. Where such utilities have already secured cost recovery for the removal or relocation of mercury service regulators through rates approved by the Maryland Public Service Commission – the utility should not be entitled to additional recovery from multifamily building owners, managers or residents. My second proposed amendment, therefore, seeks to prevent a duplicative or “double-dip” recovery of costs.

I thank you in advance for your time and consideration of my statement.

Sincerely,

J. Clark Melillo
President