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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.

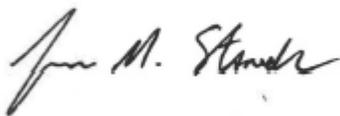
³ 49 CFR 192.353(a): Location - Each meter and service regulator, whether inside or outside a building, must be installed in a readily accessible location and be protected from corrosion and other damage. However, the upstream regulator in a series may be buried.

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,

A handwritten signature in black ink that reads "Jason M. Stanek". The signature is written in a cursive, flowing style.

Jason Stanek
Chairman
Maryland Public Service Commission

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