



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 3,400 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.