



February 13, 2020

The Honorable Dereck E. Davis
House Economic Matters Committee
Room 231, House Office Building
Annapolis, MD 21401

Oppose: HB – 408 – Public Utilities – Gas Regulator Safety (Flower Branch Act)

Dear, Chair Davis and Committee Members:

The NAIOP Maryland Chapters represent more than 700 companies that develop and own commercial, industrial and mixed-use real estate. On behalf of our member companies, I am writing to express concern that the provisions of HB 408 apply to non-residential properties which is beyond the recommendations for residential occupancies made by the National Transportation Safety Board (NTSB) and the Pipeline and Hazardous Materials Safety Administration (PHMSA) in the aftermath of the tragic Flower Branch explosion and fire.

In its accident report recommendations NTSB directed the International Code Council, National Fire Protection Association and the Gas Technology Institute to make changes to codes and standards. These code changes were directed at gas regulator changes in residential occupancies with gas service. (NTSB *Flower Branch* report linked [here](#) see pg. 42) The changes were directed at multifamily residential buildings and both NTSB and the Maryland Public Service Commission order indicated that multifamily changes should precede changes to single family residential occupancies. The report does not mention changes to non-residential buildings.

Developers do not decide the placement of gas service regulators. It is our experience that in commercial and retail buildings gas service regulators are placed outside the building unless there is a compelling safety reason that justifies placing the equipment inside the building. While PHMSA regulations allow service regulators to be located inside or outside structures, the requirements for indoor regulators are more stringent than for outdoors and more stringent than those in effect when Flower Branch was built.

Gas service regulators placed outside are at risk for damage from vehicular traffic. PHMSA data shows that between 2005 and 2018 18% of gas line releases that resulted in a fatality or hospitalization were caused by vehicular damage to meter and regulators located outside of a building. (summarized by NTSB [here](#)) For these reasons PHMSA's recommendations related to the Flower Branch accident, (summarized by NTSB [here](#)) argued that each service installation be individually evaluated to determine the appropriate location of gas service regulators either inside or outside of the building based on site specific safety considerations. These safety issues are a concern for our members who own and manage distribution warehouses and other types of commercial buildings. The exterior of these buildings is typically dedicated to loading bays and truck courts limiting the opportunity for safe exterior installation of gas meters and regulators.

For these reasons NAIOP respectfully recommends your unfavorable report on HB 408.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Ballentine".

Tom Ballentine, Vice President for Policy
NAIOP Maryland Chapters -*The Association for Commercial Real Estate*

cc: House Economic Matters Committee Members
Nick Manis – Manis, Canning Assoc.