

# **SB503\_IndivisibleHoCoMd\_FAV\_E.Fixsen.pdf**

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Position: FAV



**SB503 - Public Utilities – Gas Service Regulator Safety  
Testimony before Senate Finance Committee  
Hearing Feb. 16, 2021  
Position: Favorable**

Madame Chair, Mr. Vice Chair and members of the committee, my name is Elizabeth Fixsen, and I represent the 700+ members of Indivisible Howard County. We are providing written testimony today in **support of SB503**, requiring external installation of gas service regulators. Indivisible Howard County is an active member of the Maryland Legislative Coalition (with 30,000+ members).

This measure is aimed at preventing explosions due to accumulation of gas from a faulty or leaking gas service regulator. On August 10, 2016, a natural gas-fueled explosion and fire caused the partial collapse of Building 8701 in a 14-unit apartment building in Silver Spring, Maryland. The accident caused 7 deaths and injuries to 68 people as well as property damage exceeding \$1 million.

The National Transportation Safety Board (NTSB) determined that the probable cause of the explosion was the failure of an **indoor** mercury service regulator with an unconnected vent line (gas service regulators containing mercury are being phased out). The unconnected vent line allowed natural gas to flow into the meter room, where the gas accumulated and ignited from an unknown ignition source. A contributing factor to the accident was the regulator being located in a space where leak detection by odor was not readily available.

The NTSB is urging that regulators be placed outside of buildings because any gas leak would go straight into the air instead of having a chance to build up inside a room as happened with the explosion in Silver Spring.

Providers of natural gas service have the responsibility of ensuring the safety of customers of this service, and based on the recommendations of the NTSB, exterior placement provides the least risk. Furthermore, Federal Pipeline Safety regulations require that 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, including vehicular damage.

Thank you for your consideration of this important legislation.

**We respectfully urge a favorable report.**

Elizabeth Fixsen  
Savage, MD

*Sources Cited:*

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**SB 503 - MoCo - CE (GA 21).pdf**

Uploaded by: Elrich, Marc

Position: FAV



## OFFICE OF THE COUNTY EXECUTIVE

**Marc Elrich**  
*County Executive*

February 12, 2021

TO: The Honorable Delores G. Kelley  
Chair, Finance Committee

FROM: Marc Elrich  
County Executive

RE: Senate Bill 503 – *Public Utilities - Gas Service Regulator Safety*  
(*Flower Branch Act*) – Support

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This bill aims to move natural gas distribution infrastructure in occupied structures from indoors to outdoors. The bill requires a gas regulator to be installed outdoors when: (1) gas service is first installed at an occupied structure; and (2) an existing gas regulator installed in the interior of an occupied structure is replaced. The bill also requires all existing interior gas regulators that service a multifamily residential structure to be relocated outdoors by October 1, 2025.

Montgomery County has experienced the terrible consequences that can occur when indoor natural gas infrastructure fails. On August 10, 2016, seven residents, including two children, were killed in an explosion at the Flower Branch Apartments in Silver Spring. The National Transportation Safety Board determined that the probable cause of the explosion was the failure of an indoor mercury service regulator with an unconnected vent line that allowed natural gas into the meter room where it accumulated and ignited from an unknown ignition source. While the specific circumstances of what happened in Silver Spring provide numerous lessons learned about mercury regulators, routine inspection regimes, and preventive maintenance, it was also determined that the location of the gas distribution infrastructure contributed to this tragic event.

Flammable gases and vapors, including the primary component of natural gas, methane, have Lower and Upper Explosive Limits (LEL/UELs). LELs and UELs represent the concentration range in which those gases can, when ignited, cause an explosion. For natural gas leaks, these concentrations are nearly impossible to reach unless the gas is released into an enclosed space. By moving the natural gas infrastructure outdoors, we can ensure that leaks or failures result only in environmental release as opposed to explosive conditions. In addition, fire

The Honorable Delores G. Kelley  
Re: Senate Bill 503  
February 12, 2021  
Page 2

department personnel routinely respond to 911 calls that report natural gas leaks. When the associated infrastructure is located indoors, it can be more challenging for first responders to access that infrastructure to effectively test for leaks. Outdoor meters can also be more readily accessed for maintenance and repairs.

Today, gas regulator infrastructure is more commonly installed outdoors as a general practice because of the risks of failure and the benefits associated for easy access. However, this practice should not just be more common, it should be expected. Marylanders who happen to live in older buildings should be entitled to the same expectation of safety from gas regulator failure. For this reason, I support Senate Bill 503 and respectfully request that the Senate Finance Committee give the bill a favorable report.

cc: Members of the Finance Committee

**SB503 OPC Support.pdf**

Uploaded by: Montgomery, Endia

Position: FAV

**STATE OF MARYLAND**  
**OFFICE OF PEOPLE’S COUNSEL**  
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**BILL NO.:** Senate Bill 503  
**Gas Service Regulator Safety**  
**(Flower Branch Act)**

**COMMITTEE:** Senate Finance

**HEARING DATE:** February 16, 2021

**SPONSOR:** Senator Smith

**POSITION:** Support

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The Office of People’s Counsel (“OPC”) supports Senate Bill 503. Senate Bill 503 addresses important safety concerns raised by the gas service regulators of gas distribution utilities. These regulators place residential customers at potential risk of harm. By requiring the Maryland Public Service Commission (the “Commission”) to evaluate and approve gas distribution utility plans to replace and relocate gas service regulators, the bill addresses safety concerns while affording appropriate protections to the potential rate impacts of utility plans for regulator replacement.

**Background.** Named the “Flower Branch Safety Act,” Senate Bill 503 is a response to an August 10, 2016 natural gas-fueled explosion that occurred within a multi-family apartment building in the Flower Branch Apartment complex, located in Silver Spring, Maryland. The National Transportation Safety Board (“NTSB”) investigated the Flower Branch incident and concluded that the probable cause of the accident was the combined effect of a failure of a mercury service gas regulator (“MSR”) with an unconnected vent line that allowed natural gas into the meter room where it accumulated and ignited from an unknown ignition source. The NTSB further concluded that contributing to the accident was the location of the MSRs where leak detection by odor was not readily available. Senate Bill 503 responds to the NTSB’s investigation of the Flower Branch incident.

Senate Bill 503 responds to the Flower Branch incident by adding a new section to the Public Utilities Article of the Maryland Code – § 7-312. The new section requires gas distribution utilities in the State to locate gas service regulators outside of occupied or multifamily residential structures under certain circumstances. First, Senate Bill 503 directs gas companies to locate gas service regulators outside of an occupied structure whenever gas service is newly installed. Next, Senate Bill 503 requires existing gas service regulators located inside of multifamily residential structures to be relocated outside of the structure whenever the service line or regulator is replaced. Most significantly, Senate Bill 503 requires that on or before January 1, 2022, a gas company file a plan with the Commission to relocate any gas service regulator that provides service to a multifamily residential structure.

Under Senate Bill 503, the Commission must approve, disapprove, or approve with modifications a gas company's regulator relocation plan by January 1, 2023, after taking the following factors into consideration:

- The number of gas service regulators designated for relocation in the gas company's service territory;
- The availability of qualified personnel to safely relocate gas service regulators;
- The engineering and permitting challenges within the gas company's service territory;
- A schedule for relocating gas service regulators that is consistent with the public interest;
- Any other gas company programs, innovations, initiatives, priorities, or investments that improve the safety or reliability of the gas system; and
- Any other factor identified by the Commission.

This measured approach will allow the Commission to consider each utility's unique circumstances – including both safety and rate-impact considerations – before accepting, rejecting, or modifying each utility's plan to replace gas service regulators. The 12-month review period for Commission review of regulator replacement programs will allow the Commission sufficient time to review the plans and to receive stakeholder, including OPC's, feedback on those plans.

OPC also notes its strong agreement with Senate Bill 503's requirement that the Commission consider "a schedule for relocating gas service regulators that is consistent with the public interest" when reviewing a gas company's regulator replacement plan. OPC interprets this factor to encompass consideration of rate impacts that may result from each plan.

**Recommendation.** OPC recognizes the importance of the safety issues that the Flower Branch incident brought to light and Senate Bill 503's value in addressing them. The regulatory review process that Senate Bill 503 provides will guard against undue rate impacts and will allow for consideration of several other important factors as part of the regulatory review process. OPC supports Senate Bill 503.

# **SB0503 - Sponsor Amendment**

Uploaded by: Smith, Will

Position: FAV



SB0503/203626/1

AMENDMENTS  
PREPARED  
BY THE  
DEPT. OF LEGISLATIVE  
SERVICES

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BY: Senator Smith  
(To be offered in the Finance Committee)

AMENDMENTS TO SENATE BILL 503  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 11, strike “approve, disapprove, or approve with modifications” and substitute “issue a final order approving or disapproving”; and in line 12, after “factors;” insert “requiring an order approving a gas company’s plan to relocate any gas service regulator to include certain conditions under certain circumstances; requiring a gas company to submit a new plan to the Commission within a certain number of days under certain circumstances;”.

AMENDMENT NO. 2

On page 3, in line 11, after “(4)” insert “(I)”; in line 12, strike “APPROVE, DISAPPROVE, OR APPROVE WITH MODIFICATIONS” and substitute “ISSUE A FINAL ORDER APPROVING OR DISAPPROVING”; in lines 15, 17, 19, 21, 23, and 26, strike “(I)”, “(II)”, “(III)”, “(IV)”, “(V)”, and “(VI)”, respectively, and substitute “1.”, “2.”, “3.”, “4.”, “5.”, and “6.”, respectively; in line 25, strike “AND”; in line 26, strike “COMMISSION” and substitute “COMMISSION; AND

7. WHETHER THE GAS COMPANY HAS:

A. MADE EVERY REASONABLE EFFORT TO EXPEDITIOUSLY ADDRESS ANY FACTORS THAT MAY CONTRIBUTE TO A DELAY IN RELOCATING GAS SERVICE REGULATORS; AND

B. COMMITTED TO A REASONABLE IMPLEMENTATION TIMELINE THAT DOES NOT UNDULY DELAY REGULATOR RELOCATION”;

(Over)

and after line 26, insert:

“(II) 1. IF THE COMMISSION ISSUES AN ORDER APPROVING A GAS COMPANY’S PLAN, THE ORDER SHALL INCLUDE ANY CONDITIONS OF APPROVAL THAT THE COMMISSION REQUIRES.

2. IF THE COMMISSION ISSUES AN ORDER DISAPPROVING A GAS COMPANY’S PLAN, THE GAS COMPANY SHALL SUBMIT A NEW PLAN TO THE COMMISSION WITHIN 60 DAYS AFTER THE COMMISSION ISSUES THE DISAPPROVAL.”.

On page 4, in line 2, strike “AND”; and in line 3, strike the period and substitute “; AND

(V) WHETHER THE GAS COMPANY HAS:

1. MADE EVERY REASONABLE EFFORT TO EXPEDITIOUSLY ADDRESS ANY FACTOR THAT MAY CONTRIBUTE TO A DELAY IN RELOCATING GAS SERVICE REGULATORS; AND

2. COMMITTED TO A REASONABLE IMPLEMENTATION TIMELINE THAT DOES NOT UNDULY DELAY REGULATOR RELOCATION.”.

**AOBA Testimony--Support-- SB 503.pdf**

Uploaded by: Washington, Ryan

Position: FAV



**Bill No:** SB 503—Public Utilities—Gas Service Regulator Safety

**Date:** 2/16/2021

**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 SB 503 and anticipates that a requirement to relocate gas service regulators outdoors will increase safety in multifamily communities.

Community health and safety are of paramount concern to AOBA members, and we have seen firsthand the tragedy that results from malfunctioning gas service regulators. As drafted, the proposed legislation will go a long way towards making communities safer -- simply by removing gas service regulators from buildings. While AOBA wholeheartedly supports this legislation for safety reasons, we also understand that the regulators do 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 all equipment removal and relocation costs.

Further, AOBA notes that, as of November 2019, the utility company estimated there were as many as 77,860 gas service regulators throughout Montgomery and Prince George’s Counties<sup>i</sup>. As a result of the National Transportation Safety Board’s (NTSB) extensive investigation into the explosion at Flower Branch Apartments, NTSB recommended the utility company remove all remaining gas service regulators from their service territory. AOBA submits that removal work must be completed as soon as possible and at the expense of the utility company. Indeed, mandating the installation of regulators outside whenever gas service is newly installed or relocated whenever a service line or regulator is replaced is not only efficient, but increases building safety as well.

Finally, AOBA asserts that consumers should not be responsible for 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 SB 503.

For further information contact Erin Bradley, AOBA Vice President of Government Affairs, at 301-904-0814 or [ebradley@aoba-metro.org](mailto:ebradley@aoba-metro.org) .

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<sup>i</sup> Taken from Office of People’s Counsel comments in PSC Case 9622

**Senate Bill 503 - MMHA - Favorable.pdf**

Uploaded by: Wiggins, Grason

Position: FAV



## Senate Bill 503

Committee: Senate Finance

Date: February 16, 2021

**Position: Favorable**

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This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose members consist of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities. Our members house over 538,000 residents of the State of Maryland. MMHA also represents over 250 associate member companies who supply goods and services to the multi-housing industry including towing companies.

Following the tragic events at Flower Branch Apartments in 2016, Senate Bill 503 seeks to ensure that such a calamity does not occur again. This bill requires gas service regulators to be installed or relocated outside of multi-family structures, subject to certain requirements and exemptions. By January 1, 2022, each gas company must file a plan with the Public Service Commission (PSC) to relocate gas service regulators in multifamily residential structures. After considering specified information, PSC must approve, disapprove, or approve with modifications each plan by January 1, 2023. Until the plans are fully implemented, gas companies must update PSC annually on the progress made in the previous year, and PSC must in turn report that information to the Governor and the General Assembly.

As was the case at Flower Branch Apartments, an explosion can occur due to the failure of a mercury service regulator, with an unconnected vent line, allowing natural gas into the meter room where it ignited. The National Transportation Safety Board (NTSB) stated that the gas company was responsible for ensuring the vent line was connected. MMHA supports efforts to ensure multifamily housing is safe for all residents. Echoing the position of the NTSB that the public utility is responsible for gas service regulators which are typically placed “before the meter,” MMHA supports replacement of these devices by the public utility.

For the aforementioned reasons, MMHA respectfully requests a favorable report on Senate Bill 503.

**Grason Wiggins, MMHA Senior Manager of Government Affairs, 912.687.5745**

**CASA\_FAV\_SB503.pdf**

Uploaded by: Martinez, Ana

Position: FWA



**Testimony in SUPPORT of SB503**  
SB503: Public Utilities - Gas Service Regulator Safety (Flower Branch Act)  
Senate Finance Committee

Ana Martinez, On Behalf of CASA

February 16, 2021

Good Afternoon Chairman Davis and Members of the Committee:

CASA is pleased to provide **strong support for SB503, Public Utilities - Gas Service Regulator Safety, Flower Branch Act**. My name is Ana Martinez. As CASA's Lead Organizer in Montgomery County, I work very closely with our membership in the county, many of which were deeply impacted by the 2016 Flower Branch explosion, in which this bill is named.

CASA is the largest immigrant advocacy and services organization in the mid-Atlantic region with over 100,000 members in Maryland, Virginia, and Pennsylvania. CASA has offices and organizes in many areas in the state, one being the Long Branch area of Montgomery County, the community that was devastated by the tragedy that occurred on August 10, 2016, when a gas explosion led to the death of seven neighbors, caused severe injuries to dozens more and displaced and traumatized hundreds of people. CASA has been working with the residents since the explosion and we continue to fight with them for justice.

After a lengthy investigation of the explosion lasting two and a half years, the National Transportation Safety Board (NTSB) released a comprehensive report that included their findings and recommendations. One of their many recommendations is that gas regulators need to be moved to the outside of building structures. Although no certain causes of the explosion could be determined, the report indicates that "the probable cause [of the explosion] was the failure of an indoor mercury service regular with an unconnected vent line that allowed natural gas into the meter room where it accumulated and ignited from an unknown ignition source. Contributing to the accident was the location of the mercury service regulators where leak detection by odor was not readily available."<sup>1</sup> The report makes several recommendations for how to prevent accidents like this in the future, including that service regulators be relocated outside of occupied structure. By moving

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<sup>1</sup> National Transportation Safety Board. (April 24, 2019). *Building Explosion and Fire, Silver Spring, Maryland, August 10, 2016*. NTSB/PAR-19/01, PB2019-100722, available at: <http://199.173.155.35/investigations/AccidentReports/Reports/PAR1901.pdf>

the regulators to the outside, it would provide better air circulation, and prevent another situation where gas is building up pressure inside an apartment building. SB503 does this exactly.

Despite the tragedy that our community has faced, action has still not been taken to protect tenants in a meaningful way. In 2019, another gas leak was detected by tenants in a building not far from the 2016 explosion. After advocacy from the tenants, the utility company checked the regulators in the complex, and found minor leaks in multiple buildings, strong enough that people could smell it. One of the residents who made the report, at first was told that there was no gas leak. When he found that he was given incorrect information he said, “I went to sleep last night, thinking everything was okay.” He was in shock that the same situation could have happened again. It wasn’t until this second incident, that most of the regulators were finally moved to the outside.

Our residents live with the trauma of the night of August 10, 2016 every single day. They remember running out of their building, the horrifying smell, the feeling of fear and confusion, and the images of their neighbors jumping out of buildings.

We have a responsibility to learn from what has happened and ensure that we prevent dangerous situations like these from ever happening again within our state. **CASA strongly supports SB503 and urges a favorable report.**

Ana Martinez  
Lead Organizer, Montgomery County, CASA

**WGL Testimony\_SB 503\_neutral.pdf**

Uploaded by: Smith, Brian

Position: INFO

Senate Finance Committee  
02/16/2021

**Senate Bill 503** – Public Utilities – Gas Service Regulator Safety

**POSITION: NEUTRAL**

Thank you, Chair Kelley and members of the Senate Finance Committee, for the opportunity to comment on SB503.

Safety—for customers, employees, contractors and the general public—is Washington Gas’ number one priority, and we are committed to delivering natural gas safely and reliably each and every day.

We’ve worked with Delegate Charkoudian extensively on this bill and have reviewed the amendments included in the third reader.

WGL has a neutral position at this time, but reserves the right to change that should the bill be further amended.

The Committee should also be aware that PSC Order No. 89680, issued on December 18, 2020, approved WGL’s Proposed 2020 Mercury Service Regulator (MSR) Replacement Program which includes a survey of MSRs on our system and the removal of multi-family unit MSRs within three years and the removal of all other MSRs within five years.

While the equipment and action referenced in SB 503 is different than the Commission-approved replacement plan, there will be overlap and we’ll have to work through how these two programs move forward efficiently.

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