

**ORDER NO. 90250**

GAS SERVICE REGULATOR RELOCATION PLANS	*	BEFORE THE
	*	PUBLIC SERVICE COMMISSION
	*	OF MARYLAND
	*	_____
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	*	MAILLOG NOS. 238325, 238381,
	*	238418, 238421, AND 238617
		_____

**Issue Date: June 6, 2022**

**ORDER APPROVING GAS SERVICE REGULATOR RELOCATION PLANS**

1. Section 7-313 of the Public Utilities Article (“PUA”) of the *Annotated Code of Maryland* (“the Flower Branch Act” or “the Act”) requires that each gas company operating in Maryland file a plan with the Commission on or before January 1, 2022, detailing how the company will comply with the requirements of the Act, including by describing how it will relocate any interior gas service regulators<sup>1</sup> that provides service to multifamily residential structures.<sup>2</sup> Plans were filed by Baltimore Gas and Electric Company (“BGE”);<sup>3</sup> Washington Gas Light Company (“WGL”);<sup>4</sup> Chesapeake Utilities Corporation, on behalf of Chesapeake Utilities, Sandpiper Energy, Inc., and

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<sup>1</sup> PUA § 7-313(a)(2) defines “gas service regulator” as an instrument that (i) is installed to a meter inlet to control the gas pressure being introduced into a structure; and (ii) includes a relief valve to vent excess gas to the outside atmosphere if the pressure of the regulated gas exceeds a specified pressure.

<sup>2</sup> PUA § 7-313(a)(3) defines “multifamily residential structure” to mean a building that contains six or more dwelling units, including an apartment building, a boarding house, a convent, a dormitory, a fraternity or sorority house, a hotel or motel, a monastery, a vacation time-share property, a condominium, or a cooperative project.

<sup>3</sup> Maillog No. 238325.

<sup>4</sup> Maillog No. 238617. UGI Utilities, Inc. did not file a plan; however, it sent correspondence to Commission Staff indicating that it did not have any inside multifamily regulators within the utility’s distribution systems.

Chesapeake Elkton Gas (collectively, “Chesapeake”);<sup>5</sup> the Easton Utilities Commission (“Easton”);<sup>6</sup> and Columbia Gas of Maryland, Inc. (“Columbia Gas”).<sup>7</sup> On January 19, 2022, the Commission requested that interested parties file comments addressing the plans.<sup>8</sup> On March 2, 2022, Commission Staff (“Staff”) and Montgomery County, Maryland (“Montgomery County”) filed comments. For the reasons discussed below, the Commission approves the gas companies’ respective plans.

## **I. Background**

2. The Flower Branch Act provides that when gas service is newly installed at an occupied structure, the gas company must install the gas service regulator outside the structure.<sup>9</sup> With regard to any existing gas service regulator that is installed in the interior of a multifamily residential structure, the Act requires that the gas company relocate the regulator to the outside of the structure whenever the gas service line or regulator is replaced.<sup>10</sup> The Act requires that a gas service regulator be installed away from roads, driveways, parking areas, or other locations exposed to vehicular traffic or other external forces that may damage the gas service regulator.<sup>11</sup> Finally, the Act provides that on or before January 1, 2022, a gas company must file a plan with the Commission to relocate any interior gas service regulator that provides service to a multifamily residential structure.<sup>12</sup>

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<sup>5</sup> Maillog No. 238418.

<sup>6</sup> Maillog No. 238381.

<sup>7</sup> Maillog No. 238421.

<sup>8</sup> Maillog No. 238634.

<sup>9</sup> PUA § 7-313(b)(1).

<sup>10</sup> PUA § 7-313(b)(2).

<sup>11</sup> PUA § 7-313(c).

<sup>12</sup> PUA § 7-313(b)(3). In addition to filing the original plan, PUA § 7-313(d) requires each gas company to provide an annual report to the Commission by February 1 addressing the previous year’s progress in relocating gas service regulators.

## II. Individual Gas Company Plans

3. BGE states that it has approximately 7,000 indoor gas regulators at multifamily residential structures throughout its gas distribution system.<sup>13</sup> BGE's plan provides that it will relocate these gas service regulators within a 10-year timeframe, and will target an average of 700 relocations per year.<sup>14</sup> BGE asserts that it will complete the relocation of inside regulator(s) at multifamily residential structures through various new and ongoing programs+ and initiatives, including through its Strategic Infrastructure Development and Enhancement "(STRIDE") plan, Over pressurization Risk Management Program, Common Trench Enhancement Strategy, Gas Transmission Program, and Flower Branch Act Program. BGE states that it will utilize internal resources to implement the plan from 2022 through 2024, but will hire and train qualified personnel in subsequent years.<sup>15</sup> Finally, BGE asserts that it may be necessary, pursuant to PUA § 7-313(b)(5), to request exemption from relocation for a subset of the identified population of gas service regulators, such as where outdoor spacing requirements prohibit outdoor relocation.<sup>16</sup>

4. WGL states that it has identified 7,195 buildings in its Maryland service territory that meet the Flower Branch Act's definition of multifamily residential structure and that may have an inside service regulator.<sup>17</sup> WGL's plan proposes to relocate approximately 1,000 gas service regulators per year for up to 10 years to achieve full compliance with the Act.<sup>18</sup> WGL states that implementation of the relocation plan will require personnel qualified in leak surveys, service operations, belowground field operations, engineering, and construction.<sup>19</sup> WGL's plan describes

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<sup>13</sup> BGE Plan at 3.

<sup>14</sup> *Id.* at 6.

<sup>15</sup> *Id.* at 5.

<sup>16</sup> *Id.* at 7-8.

<sup>17</sup> WGL Plan at 3.

<sup>18</sup> *Id.* at 10. WGL's 10-year plan provides for a buffer should contingencies arise that reduce its goal of 1,000 relocations per year.

<sup>19</sup> WGL Plan at 6.

program schedules, time requirements for relocation-related activities, engineering, construction, and permitting challenges, and customer communication strategies. WGL states that it will complete the relocation of inside regulators at multifamily residential structures through the following programs: WGL's Legacy Multifamily Regulators Replacement for Performance Issues Program, Mercury Service Regulator Replacement Program, work on vintage service lines that require the service line to be replaced to the main (outside of STRIDE), WGL's STRIDE program, and WGL's Flower Branch Act Program. Finally, WGL states that it may encounter a building where there is no practicable outdoor space for gas piping and equipment and that in that event, it will seek an exemption pursuant to the Act.<sup>20</sup>

5. Chesapeake states that it surveyed its distribution systems for inside regulators within multifamily residential structures, and found no such regulators in the distribution systems of Sandpiper Energy or Chesapeake Elkton Gas.<sup>21</sup> Chesapeake reported that three inside regulators exist in the distribution system of Chesapeake Utilities, and the company stated that it would relocate those gas service regulators by March 31, 2022. Nevertheless, in a subsequent filing, Chesapeake asserts that it conducted a site visit with the Commission's Engineering Division and determined, in conjunction with Staff, that Chesapeake has no gas regulators located inside any multifamily residential structures within Chesapeake's service area.<sup>22</sup>

6. Easton Utilities states that it has located just one interior gas service regulator serving a multifamily residential structure. The utility states that it will relocate that regulator by January 1, 2023.<sup>23</sup>

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<sup>20</sup> *Id.* at 14.

<sup>21</sup> Chesapeake filing at 1.

<sup>22</sup> Chesapeake March 29, 2022 filing at 1. Maillog No. 239848.

<sup>23</sup> Easton Utilities filing at 1.

7. Columbia Gas asserts that it does not serve any multifamily residential structure with a gas service regulator that is located inside a multifamily residential structure, and that therefore no plan is required pursuant to PUA Section 7-313(b)(3).<sup>24</sup>

### **III. Party Comments**

8. Montgomery County notes that WGL plans to replace certain legacy multifamily mercury service regulators through the company's Mercury Service Regulator Replacement Program, and that WGL indicated a 12-15 month delay could be required to relocate such regulators outside after they are replaced. Montgomery County asks that WGL endeavor to relocate the gas service regulators outside as close in time as possible to when the mercury service regulators are replaced to minimize the inconvenience to owners and occupants of the affected buildings.<sup>25</sup>

9. Staff observes that PUA § 7-313(b)(6) grants the Commission the discretion to delegate to its Technical Staff division authority to grant exemptions from the requirements of the Flower Branch Act. Staff recommends that the Commission delegate such authority to the Commission's Engineering Division.<sup>26</sup> Additionally, Staff attached to its comments a proposed Exemptions Form that it requests gas companies utilize when seeking an exemption.<sup>27</sup> The form requires gas companies to provide an explanation as to why the exemption is necessary and to provide a photograph or drawing supporting the exemption request.

10. Staff notes that the Flower Branch Act obligates each gas company to file a report annually to the Commission detailing the progress through the end of the preceding calendar year that the gas company has made on its approved implementation plan.<sup>28</sup> Additionally, the Flower Branch

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<sup>24</sup> Columbia Gas filing at 1.

<sup>25</sup> Montgomery County Comments at 1-2.

<sup>26</sup> Staff Comments at 9-10.

<sup>27</sup> *Id.* at Attachment 1.

<sup>28</sup> *Id.* at 10.

Act requires the Commission to file a report to the Governor and the General Assembly annually detailing each gas company's progress on the implementation of its respective plan. That report is due by March 1, 2023, and each year thereafter. In order to promote consistency in each gas company's annual report, Staff developed a spreadsheet for each gas company to complete annually and submit to the Commission along with a cover letter explaining implementation status, challenges, and outreach status.<sup>29</sup> Staff asserts that use of this form will allow Staff to make consistent evaluations of each gas company's progress on a yearly basis, and facilitate a timely report to the Governor and General Assembly.

#### **IV. Commission Decision**

11. PUA § 7-313(b)(4) provides that when reviewing a gas company's plan, the Commission should consider the following factors: (i) the number of gas service regulators designated for relocation in the gas company's service territory; (ii) the availability of qualified personnel to safely relocate gas service regulators; (iii) the engineering and permitting challenges within the gas company's service territory; (iv) a schedule for relocating gas service regulators that is consistent with the public interest; (v) any other gas company programs, innovations, initiatives, priorities, or investments that improve the safety or reliability of the gas system; (vi) any other factor identified by the Commission; and (vi) whether the gas company has made every reasonable effort to expeditiously address any factors that may contribute to a delay in relocating gas service regulators; and whether the gas company has committed to a reasonable implementation timeline that does not unduly delay regulator relocation.

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<sup>29</sup> *See id.* at Attachment No. 2

12. After having reviewed the interior gas service regulator relocation plans filed by the gas companies, the Commission approves each of the plans. The Commission finds that the gas companies have sufficiently satisfied the criteria listed in PUA § 7-313(b)(4).<sup>30</sup>

13. Pursuant to PUA § 7-313(b)(6), the Commission delegates authority to its Engineering Division to grant exemptions from the requirements of the Flower Branch Act.<sup>31</sup> In reviewing requests for exemptions, the Engineering Division should consider the elements provided in PUA § 7-313(b)(5), including: whether granting the exemption is consistent with the public interest; conflicts with federal, State, or local laws or regulations; physical obstructions or space constraints; and whether the gas company has made every reasonable effort to expeditiously address any factor that may contribute to a delay in relocating gas service regulators, and committed to a reasonable implementation timeline that does not unduly delay regulator relocation. In addition to these factors, any gas company seeking an exemption must provide documentation of consideration of alternatives to relocation that were explored before seeking a waiver.

14. Staff's proposed Exemption Form appropriately seeks information required by PUA § 7-313(b)(5), and is approved for use by the Engineering Division in considering exemption requests. Additionally, the Commission approves use of Staff's spreadsheet (Staff Comments at Attachment 2), and directs Maryland gas companies performing relocations under the Flower Branch Act to utilize this form when filing their annual report.

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<sup>30</sup> Staff notes that the plans filed by Chesapeake and Easton Utilities provided few details (*See* Staff Comments at 13). Nevertheless, given the small number of interior gas service regulators identified by those gas companies, and the short time period required to relocate them, the Commission finds their respective plans sufficient. Because Easton Utilities plans to complete relocation of its interior gas service regulator in 2022, it is directed to notify the Commission when it has completed its plan.

<sup>31</sup> The Commission provided a similar delegation of authority to its Staff with respect to other gas pipeline regulatory requirements. Specifically, the Commission delegated gas pipeline safety compliance enforcement responsibilities to the Commission's Engineering Division along with the ability to issue "stays of enforcement" during the COVID-19 pandemic.

15. The Commission directs gas companies to file their annual report with the Commission by January 23 of each year.<sup>32</sup>

**IT IS THEREFORE**, this 6th day of June, in the year Two Thousand Twenty-Two, by the Public Service Commission of Maryland,

**ORDERED** (1) That the interior gas service regulator plans of Baltimore Gas and Electric Company; Washington Gas Light Company; Chesapeake Utilities Corporation (on behalf of Chesapeake Utilities, Sandpiper Energy, Inc., and Chesapeake Elkton Gas); the Easton Utilities Commission; and Columbia Gas of Maryland, Inc. are approved;

(2) That Staff's Engineering Division is delegated authority to grant exemptions from the requirements of the Flower Branch Act pursuant to PUA § 7-313(b)(6); and

(3) That gas companies are directed to file their annual report with the Commission by January 23 of each year.

By Direction of the Commission,

*/s/ Andrew S. Johnston*

Andrew S. Johnston  
Executive Secretary

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<sup>32</sup> PUA § 7-313(d)(1) requires each gas company to file its annual report addressing the progress on the implementation of the approved plan on or before February 1 of each year. PUA § 7-313(e) requires the Commission to provide a report to the Governor and General Assembly on the progress of relocating gas service regulators by March 1 of each year. In order for the Commission to have sufficient time to analyze the annual reports of the gas companies and to draft the March 1 report to the Governor and General Assembly, the Commission will require that gas companies file their annual reports with the Commission by January 23 of each year.