

**ORDER NO. 90783**

Relocation of Natural Gas Service	*	BEFORE THE
Regulators in the BGE Service Territory	*	PUBLIC SERVICE COMMISSION
	*	OF MARYLAND
	*	_____
	*	CASE NO. 9711
_____	*	_____

Issue Date: September 5, 2023

**ORDER ON BGE GAS SERVICE REGULATOR LOCATION AND TERMINATION**

**I. BACKGROUND**

Pursuant to *Public Utilities Article* (“PUA”), Annotated Code of Maryland, § 2-113 and § 5-303, the Maryland Public Service Commission (“Commission”) has the duty to regulate gas companies to ensure that their operations are in the interest of the public, and that their service is safe and reliable.

Baltimore Gas & Electric Company (“BGE”) customers have complained about potential violations of the BGE Gas Service Tariff, as well as state law and regulations, associated with the external installation of residential natural gas service regulators in the BGE service territory.

**II. PROCEDURAL HISTORY**

Customers in the BGE service territory filed numerous complaints with the Commission’s Consumer Affairs Division and joined a petition to the Circuit Court for Baltimore City on June 23, 2023,<sup>1</sup> related to ongoing work by BGE to install gas service regulators on the exterior of residences as part of a broader initiative to upgrade low pressure gas systems to high pressure. BGE adopted the default practice of external installation beginning in 2021, and complaints since then have related to the aesthetics and safety of external gas service regulators.<sup>2</sup>

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<sup>1</sup> *Stephen H. Topping v. Baltimore Gas and Electric Company*, Case No. 24-c-23-002872.

<sup>2</sup> Public comments state that some customers received internal regulators, with vents to the outside, prior to the change in BGE’s engineering practices, which occurred in 2021.

On July 7, 2023, the Maryland Public Service Commission issued a Notice initiating Case No. 9711 to consider the external installation of gas service regulators in the BGE service territory. The Commission accepted comments through August 11, 2023, and held a legislative-style hearing on August 15, 2023. At the hearing, Technical Staff (“Staff”), the Maryland Office of People’s Counsel, BGE, Community Groups, and the public testified and answered questions from the Commission.

The parties raised specific issues related to public safety, including the applicability of the *Flower Branch Act* of 2021,<sup>3</sup> as well as good engineering practices in the gas industry.<sup>4</sup> Furthermore, the parties commented on potential violations of customer service regulations. Customer service issues included BGE’s communications and response to complaints regarding regulator relocation,<sup>5</sup> the termination of gas service due to lack of access to the Company’s equipment,<sup>6</sup> and the restoration of private property.

On August 30, 2023, BGE filed suggested language for an Order to resolve the disputes among the parties for the Commission’s consideration.<sup>7</sup> In the letter accompanying the suggested language, BGE noted that it had worked with the Customer Group on the language, and that Staff and OPC did not oppose the suggested language.

### III. PARTIES POSITIONS

Staff argued that state law requires BGE to install gas service regulators outside of any residential building, whether single-family or multi-family, whenever a service line is replaced. In addition, Staff contended that this requirement applies to all work associated with upgrading the gas system from low to high pressure. Staff cited Public Utilities Article § 7-313, which provides that “(b)(1) [w]henver gas service is newly installed at an occupied structure, a gas service regulator may be installed only outside the structure.” Staff argued that a new service line constituted new gas service under the *Flower Branch Act*. No other party made this argument.

No party argued that federal law requires the indoor or outdoor installation of gas service regulators.

Staff and BGE argued that inside and outside installations of gas service regulators are both safe options. OPC provided an analysis concluding that incidents involving indoor

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<sup>3</sup> *Public Service - Gas Regulator Safety (Flower Branch Act)*, Chapter 263 of 2021, *Public Utilities Article § 7-313*.

<sup>4</sup> *Code of Maryland Regulations* (“COMAR”) 20.55.02.01.

<sup>5</sup> COMAR 20.55.04.10.

<sup>6</sup> COMAR 20.31.02.02(C).

<sup>7</sup> Maillog No. 304825.

regulators and meters are more deadly and costly than outdoor incidents. BGE provided an analysis showing that fatal incidents involving vehicles crashing into exterior installations typically result in the driver perishing, rather than third parties. BGE’s analysis did not examine injuries in non-fatal incidents.

OPC, Community Groups and the public requested that customers receive a choice to opt out of the exterior installations. BGE agreed to allow customers to opt out, if directed by the Commission. BGE noted that the installation of one of two technologies could mitigate risk on all future indoor installations of gas regulators – a smart methane detector or a thermal shutoff valve.

OPC requested a two-year moratorium on low to high pressure gas system upgrades, to give customers time to determine if they want to pursue home electrification. BGE was supportive of a two-week delay.

#### **IV. COMMISSION DECISION**

As a public, regulated utility company charged with providing energy and related services to hundreds of thousands of Marylanders, BGE is empowered and required to supply gas service to its customers. The Gas Service Tariff “comprises the Rules and Rates under which gas service is supplied to its customers by [BGE].”<sup>8</sup> The Tariff has been approved by the Commission pursuant to an enactment of the Maryland General Assembly.

Before the shift in BGE internal policy with respect to the outdoor installation of gas pressure regulators in 2021, BGE installed gas pressure regulators inside and outside of homes.

Maryland law generally allows both indoor and outdoor installations of gas pressure regulators, except in specific circumstances — e.g., for multi-family dwellings with six or more units — where outdoor installation is mandatory.<sup>9</sup> Even in cases where outdoor installation is mandatory, the Flower Branch 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>10</sup> The Commission finds that the Flower Branch Act does not apply in this case, which does not involve the new installation of gas service at single-family homes.

Similarly, federal regulations promulgated by the Pipeline and Hazardous Materials Safety Administration (PHMSA) also allow both indoor and outdoor installations of gas

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<sup>8</sup> BGE Tariff at 1.

<sup>9</sup> *Public Utilities Article* § 7-313(a)(3) (hereinafter “Flower Branch Act” or “PUA”).

<sup>10</sup> *Public Utilities Article* § 7-313(c).

pressure regulators.<sup>11</sup> Like the Flower Branch Act, federal regulations impose certain requirements for indoor and outdoor installations: “The Federal Pipeline Safety Regulations at 49 C.F.R. 192.353 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.”<sup>12</sup>

BGE, based upon its industry experts and recommendations from the National Transportation Safety Board (“NTSB”),<sup>13</sup> maintains that outdoor placement of gas pressure regulators is safer with respect to reducing risks of potential catastrophic gas events. Residents and community associations, based upon their experts, national data compiled by PHMSA, and the risks of potential vehicular collisions, corrosion, and tampering, maintain that outdoor installations are more dangerous than internal installations. Both sides agree that indoor installations are safe. The Commission is unable to determine the relative likelihood of an indoor incident relative to an exterior incident, based on the record in this case.

The Commission prefers regulators be installed outside of dwellings but finds that both indoor and outdoor installations are generally permitted by state and federal law if proper engineering standards are followed and determines that both indoor and outdoor installations are generally safe. BGE shall revise their standards and practices to permit residential customers to choose whether a gas service pressure regulator is installed inside or outside their home unless: (a) BGE establishes that the customer’s choice to only permit indoor installation violates state or federal laws or regulations; or (b) BGE establishes that the customer has made the utility’s interior equipment inaccessible through the construction of permanent walls or fixtures, or indoor installation is otherwise impracticable or unsafe based upon accepted good engineering practice, as defined in COMAR 20.55.02.01. BGE has a responsibility to maintain a safe and reliable gas system.

BGE, in consultation with Staff, OPC, and the Community Groups, shall develop a written notice to customers informing them a gas regulator will be installed and they will have to decide if they want it inside their house or outside, which notice shall be delivered to customers 14 days in advance of the installation.<sup>14</sup>

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<sup>11</sup> Federal Pipeline Safety Regulations, 49 C.F.R. 192.353.

<sup>12</sup> Pipeline Safety: Inside Meters and Regulators (Notice by PHMSA, Sept. 29, 2020).

<sup>13</sup> After investigating the 2016 explosion in Silver Spring, Maryland that resulted in seven deaths and 68 injuries, the NTSB found that the explosion resulted from an interior gas service regulator that became disconnected from an outside vent line and “had service regulators been located outside the building [...], the explosion would not have occurred because gas would have vented to the atmosphere and dissipated.” National Transportation Safety Board. April 24, 2019. Building Explosion and Fire, Silver Spring, Maryland, August 10, 2016. NTSB/PAR-19/01. Washington, DC at <<https://www.nts.gov/investigations/AccidentReports/Reports/PAR1901.pdf>>.

<sup>14</sup> BGE is directed to use its best efforts to direct the notice to the owners of the building.

Under the Tariff and the Code of Maryland Regulations (COMAR), BGE is permitted to terminate gas service to a customer only under specified circumstances. In the context of the present dispute concerning the installation of gas pressure regulators, BGE maintains it is allowed to discontinue gas service, with proper notice, when a customer fails to provide “reasonable access to its equipment located on or in the customer’s premises.”<sup>15</sup>

COMAR § 20.31.02.02 states that a utility may terminate service for “failure of the customer to permit the utility or its agents to have reasonable access to its equipment located on or in the customer’s premises.”

The Commission finds that a residential customer’s decision to decline an exterior installation of a new gas pressure regulator is not in and of itself a valid basis for terminating or threatening to terminate service, so long as the customer’s decision does not violate state or federal law, or compromise the safety, maintenance, and reliability of the system.

Because there are no provisions in the Tariff or COMAR that allow BGE to terminate gas service solely on the basis of a customer’s decision to decline an exterior gas regulator where that installation is not required by law or regulation, BGE shall not terminate gas service or threaten to discontinue gas service because a residential customer declines the installation of an exterior gas pressure regulator, unless outdoor installation is required by state or federal law.

Nothing in this Order should be construed to alter BGE’s existing authority to discontinue service on otherwise valid grounds enumerated in the Tariff.

**IT IS, THEREFORE**, this 5<sup>th</sup> day of September, in the year Two Thousand Twenty-Three, by the Public Service Commission of Maryland, **ORDERED**:

(1) that BGE shall enable residential customers to choose whether a gas pressure regulator is installed inside or outside their home unless: (a) that choice violated state or federal law or regulation; or (b) the customer is found to have made its interior equipment inaccessible through the construction of permanent walls or fixtures, or indoor installation is otherwise impracticable or unsafe based upon accepted good engineering standards, as defined in COMAR 20.55.02.01;

(2) that the parties shall jointly develop a written notice to customers informing them a gas regulator will be installed and giving them the choice of exterior or interior

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<sup>15</sup> BGE Tariff § 2.4(f).

installation, which shall be delivered to customers at least 14 days in advance of the installation;

(3) that BGE shall not terminate gas service or threaten to discontinue gas service because a residential customer declines the installation of an exterior gas pressure regulator, unless outdoor installation is required by state or federal law; and

(4) that BGE shall file tariff revisions consistent with this Order within thirty (30) days.

*/s/ Frederick H. Hoover, Jr.*  
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*/s/ Michael T. Richard*  
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*/s/ Anthony J. O'Donnell*  
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*/s/ Kumar P. Barve*  
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*/s/ Bonnie A. Suchman*  
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Commissioners