

HOUSE No. 2950

The Commonwealth of Massachusetts

PRESENTED BY:

John D. Keenan

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to natural gas leaks.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>John D. Keenan</i>	<i>7th Essex</i>	
<i>Ann-Margaret Ferrante</i>	<i>5th Essex</i>	<i>1/23/2013</i>
<i>Kathi-Anne Reinstein</i>	<i>16th Suffolk</i>	
<i>Colleen M. Garry</i>	<i>36th Middlesex</i>	
<i>Bradley H. Jones, Jr.</i>	<i>20th Middlesex</i>	<i>1/29/2013</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	
<i>Carolyn C. Dykema</i>	<i>8th Middlesex</i>	
<i>Patricia A. Haddad</i>	<i>5th Bristol</i>	
<i>Jennifer E. Benson</i>	<i>37th Middlesex</i>	
<i>Alice Hanlon Peisch</i>	<i>14th Norfolk</i>	
<i>Theodore C. Speliotis</i>	<i>13th Essex</i>	

HOUSE No. 2950

By Mr. Keenan of Salem, a petition (accompanied by bill, House, No. 2950) of John D. Keenan and others for legislation to establish a uniform natural gas leak classification standard and an aging gas infrastructure replacement program in the Commonwealth. Telecommunications, Utilities and Energy.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 4222 OF 2011-2012.]

The Commonwealth of Massachusetts

In the Year Two Thousand Thirteen

An Act relative to natural gas leaks.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 164 of the General Laws is hereby amended by inserting the
2 following section:-

3 Section 144. (a) There shall be established a uniform natural gas leak classification
4 standard in the commonwealth for all natural gas companies.

5 (b) All reported gas leaks will be assessed a grade based on the following system:

6 (1) Grade 1. A leak that represents an existing or probable hazard to persons or property.
7 Such a leak requires repair and continuous action until the conditions are no longer hazardous.
8 Completion of repairs shall be scheduled immediately and the condition kept under continuous
9 surveillance until the hazard or source of the leak is eliminated.

10 (2) Grade 2. A leak that is recognized as non-hazardous to persons or property at the
11 time of detection, but justifies scheduled repair based on probable future hazard. Such leaks shall
12 be repaired or cleared within 1 calendar year but no later than 15 months from the date the Grade
13 2 leak was classified. The frequency of reevaluation shall be determined by the location and
14 magnitude of the leakage condition, provided that all Grade 2 leaks shall be reevaluated at least
15 once every 6 months until eliminated.

16 (3) Grade 3. A leak that is recognized as non-hazardous at the time of detection and can
17 be reasonably expected to remain non-hazardous. Such leaks shall be reevaluated during the next
18 scheduled survey, or within fifteen months of the date last evaluated, whichever occurs first,
19 until the leak is eliminated or main replaced.

20 (4) Starting March 1, 2015, each gas company shall report annually to the department the
21 location of each Grade 1, Grade 2 and Grade 3 leak existing as of that date classified by the
22 company, the date each Grade 1, Grade 2 and Grade 3 leak was classified, and the date of repair
23 performed on each Grade 1, Grade 2 and Grade 3 leak as part of its service quality standards
24 report required by section 11 of chapter 164. Such gas leak information shall be made available
25 to any municipal or state public safety official and any member of the General Court upon
26 request to the department.

27 (c) The department shall promulgate regulations necessary to implement the uniform leak
28 classification standards as specified in this section, and shall oversee and monitor company
29 response and reporting.

30 (d) The department shall investigate whether the state should require the winter
31 surveillance and patrol of cast iron gas pipelines in the commonwealth, and shall determine
32 whether the presence of extended frost cap conditions may result in additional stress on cast iron
33 pipe segments, requiring enhanced surveillance and patrol. The department is authorized to
34 establish minimum uniform procedures for cast iron winter surveillance and patrols. Gas
35 companies are authorized to establish procedures that exceed any minimum standards at their
36 discretion.

37 (e) Commencing with calendar year 2015, the department shall establish an infrastructure
38 replacement program to address aging natural gas infrastructure in the interest of public safety
39 and reducing lost and unaccounted for gas. Gas companies shall be authorized to file with the
40 department an annual leak-prone gas infrastructure replacement project plan, subject to the
41 department's review and approval. A plan shall include, but not be limited to, the replacement of
42 mains, services, meter sets and other ancillary facilities composed of non-cathodically protected
43 steel, cast-iron and wrought iron, as leak-prone materials. Provided that a gas company files its
44 annual gas infrastructure replacement work plan on or before October 31 of a calendar year, the
45 department shall review the work plan targets within 6 months, and shall authorize a rate factor
46 becoming effective May 1 of the year following the filing of the work plan to collect any revenue
47 requirement, including depreciation, property taxes and return associated with the approved work
48 plan. The department shall consider the costs and benefits of a plan, including, but not limited to,
49 impacts on ratepayers, reductions of lost or unaccounted for gas and improving public safety in
50 making its final determination, giving priority to plans narrowly tailored to addressing leak-
51 prone infrastructure most immediately in need of replacement. If such a plan is approved, final
52 project documentation shall be filed with the department within 1 year of such approval to
53 demonstrate substantial compliance with work plans and that project costs were reasonably and

54 prudently incurred. The department shall investigate such costs within eight months, and the
55 department shall have the authority to reconcile the authorized rate factor if necessary. The
56 department shall not approve any gas infrastructure replacement project plan under this section
57 that would increase capital spending on the replacement of leak-prone natural gas pipelines that
58 would exceed 125% of a gas company's actual spending on such pipelines in the previous 12
59 months of any such project plan submission. The department may promulgate rules and
60 regulations in accordance with this section.

61 SECTION 2. The department of public utilities shall permit each natural gas company in
62 the commonwealth to design and offer programs to consumers which increase the availability,
63 affordability or feasibility of natural gas service for customers. Subject to the department's
64 approval prior to implementation, such programs may include alternative rate structures to cover
65 program costs including customer conversions costs, main extensions or other costs for facilities
66 necessary to add new customers through the program, cost-sharing, incentives or other
67 innovative means to accelerate the creation of jobs within the state and the realization of benefits
68 of the expansion of and conversion to efficient natural gas usage in the commonwealth. The
69 department shall review proposed programs for each gas company on a cost-effectiveness
70 standard and on a schedule that enables timely customer access to available programs. If such a
71 plan is approved, the department, in the next general distribution rate proceeding, may allow
72 reasonable and prudent customer costs and associated revenues added since the last general
73 distribution rate proceeding to be included in the cost of service, and such customers may
74 thereafter take service at the rate approved by the department in the general distribution rate
75 proceeding.