

HOUSE No. 2683

The Commonwealth of Massachusetts

PRESENTED BY:

Christine P. Barber

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 protecting consumers of gas and electricity from paying for leaked and unaccounted for gas.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Christine P. Barber</i>	<i>34th Middlesex</i>	<i>1/19/2017</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	<i>1/19/2017</i>
<i>José F. Tosado</i>	<i>9th Hampden</i>	
<i>Carmine L. Gentile</i>	<i>13th Middlesex</i>	
<i>Edward F. Coppinger</i>	<i>10th Suffolk</i>	
<i>Denise Provost</i>	<i>27th Middlesex</i>	
<i>Jack Lewis</i>	<i>7th Middlesex</i>	
<i>Steven S. Howitt</i>	<i>4th Bristol</i>	
<i>Leonard Mirra</i>	<i>2nd Essex</i>	
<i>Jason M. Lewis</i>	<i>Fifth Middlesex</i>	
<i>Chris Walsh</i>	<i>6th Middlesex</i>	
<i>James R. Miceli</i>	<i>19th Middlesex</i>	
<i>Ruth B. Balsler</i>	<i>12th Middlesex</i>	
<i>Steven Ultrino</i>	<i>33rd Middlesex</i>	
<i>Lori A. Ehrlich</i>	<i>8th Essex</i>	
<i>Sarah K. Peake</i>	<i>4th Barnstable</i>	
<i>Marjorie C. Decker</i>	<i>25th Middlesex</i>	

<i>Louis L. Kafka</i>	<i>8th Norfolk</i>	
<i>Cory Atkins</i>	<i>14th Middlesex</i>	
<i>Thomas P. Walsh</i>	<i>12th Essex</i>	
<i>Jonathan Hecht</i>	<i>29th Middlesex</i>	
<i>Dylan Fernandes</i>	<i>Barnstable, Dukes and Nantucket</i>	
<i>Thomas J. Calter</i>	<i>12th Plymouth</i>	
<i>Natalie Higgins</i>	<i>4th Worcester</i>	
<i>Brian M. Ashe</i>	<i>2nd Hampden</i>	
<i>John W. Scibak</i>	<i>2nd Hampshire</i>	
<i>Michelle M. DuBois</i>	<i>10th Plymouth</i>	
<i>Jennifer E. Benson</i>	<i>37th Middlesex</i>	
<i>Kay Khan</i>	<i>11th Middlesex</i>	
<i>Mike Connolly</i>	<i>26th Middlesex</i>	
<i>Tricia Farley-Bouvier</i>	<i>3rd Berkshire</i>	
<i>Barbara A. L'Italien</i>	<i>Second Essex and Middlesex</i>	
<i>Kenneth I. Gordon</i>	<i>21st Middlesex</i>	
<i>Paul R. Heroux</i>	<i>2nd Bristol</i>	
<i>Brendan P. Crighton</i>	<i>Third Essex</i>	
<i>Patrick M. O'Connor</i>	<i>Plymouth and Norfolk</i>	
<i>Russell E. Holmes</i>	<i>6th Suffolk</i>	
<i>Paul Tucker</i>	<i>7th Essex</i>	
<i>Paul W. Mark</i>	<i>2nd Berkshire</i>	
<i>David F. DeCoste</i>	<i>5th Plymouth</i>	
<i>Solomon Goldstein-Rose</i>	<i>3rd Hampshire</i>	
<i>Joan Meschino</i>	<i>3rd Plymouth</i>	
<i>Jay D. Livingstone</i>	<i>8th Suffolk</i>	
<i>Gailanne M. Cariddi</i>	<i>1st Berkshire</i>	
<i>Adrian Madaro</i>	<i>1st Suffolk</i>	
<i>Jay R. Kaufman</i>	<i>15th Middlesex</i>	
<i>Daniel Cullinane</i>	<i>12th Suffolk</i>	
<i>Joan B. Lovely</i>	<i>Second Essex</i>	
<i>Mary S. Keefe</i>	<i>15th Worcester</i>	
<i>Carolyn C. Dykema</i>	<i>8th Middlesex</i>	
<i>Paul Brodeur</i>	<i>32nd Middlesex</i>	
<i>David Paul Linsky</i>	<i>5th Middlesex</i>	
<i>Daniel M. Donahue</i>	<i>16th Worcester</i>	
<i>Kimberly N. Ferguson</i>	<i>1st Worcester</i>	
<i>Sean Garballey</i>	<i>23rd Middlesex</i>	<i>2/3/2017</i>
<i>Walter F. Timilty</i>	<i>Norfolk, Bristol and Plymouth</i>	

<i>Danielle W. Gregoire</i>	<i>4th Middlesex</i>
<i>Stephen Kulik</i>	<i>1st Franklin</i>
<i>Patricia A. Haddad</i>	<i>5th Bristol</i>
<i>Daniel J. Ryan</i>	<i>2nd Suffolk</i>
<i>Linda Dean Campbell</i>	<i>15th Essex</i>
<i>Bruce E. Tarr</i>	<i>First Essex and Middlesex</i>
<i>Kathleen O'Connor Ives</i>	<i>First Essex</i>
<i>Smitty Pignatelli</i>	<i>4th Berkshire</i>
<i>Colleen M. Garry</i>	<i>36th Middlesex</i>
<i>Geoff Diehl</i>	<i>7th Plymouth</i>
<i>Byron Rushing</i>	<i>9th Suffolk</i>
<i>Patricia D. Jehlen</i>	<i>Second Middlesex</i>
<i>Hannah Kane</i>	<i>11th Worcester</i>
<i>Elizabeth A. Malia</i>	<i>11th Suffolk</i>
<i>Peter V. Kocot</i>	<i>1st Hampshire</i>
<i>David M. Rogers</i>	<i>24th Middlesex</i>
<i>Linda Dorcena Forry</i>	<i>First Suffolk</i>
<i>Alice Hanlon Peisch</i>	<i>14th Norfolk</i>
<i>Jeffrey Sánchez</i>	<i>15th Suffolk</i>
<i>Paul McMurtry</i>	<i>11th Norfolk</i>
<i>Paul K. Frost</i>	<i>7th Worcester</i>
<i>Shaunna L. O'Connell</i>	<i>3rd Bristol</i>
<i>Paul A. Schmid, III</i>	<i>8th Bristol</i>
<i>Thomas M. Stanley</i>	<i>9th Middlesex</i>
<i>William C. Galvin</i>	<i>6th Norfolk</i>

HOUSE No. 2683

By Ms. Barber of Somerville, a petition (accompanied by bill, House, No. 2683) of Christine P. Barber and others relative to the payment by ratepayers for gas and electricity use of lost and unaccounted for gas. Telecommunications, Utilities and Energy.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 2870 OF 2015-2016.]

The Commonwealth of Massachusetts

**In the One Hundred and Ninetieth General Court
(2017-2018)**

An Act relative to protecting consumers of gas and electricity from paying for leaked and unaccounted for gas.

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

1 The General Laws of the Commonwealth of Massachusetts are hereby amended as
2 follows:

3 SECTION 1 Chapter 164 of the General Laws, as appearing in the 2014 Official Edition,
4 is hereby amended by adding the following section:

5 Section 147. (a) As used in this Section, the following words shall have the following
6 meanings:

7 “Gas” - natural gas and any of its products, components or derivatives and methane,
8 whether produced by, or gathered from or collected as a result of exploration and production by

9 well, mining or otherwise, hydraulic fracturing, biomass gasification reactors, biogas reactors,
10 anaerobic digestion, methane emissions from landfills and liquid natural gas and whether mixed
11 with propane air or not or with synthetic natural gas or not.

12 “Hydraulic fracturing” - the process of pumping a fluid into or under the surface of the
13 ground in order to create or develop or enhance the flow through fractures in rock for the
14 purpose of the production or recovery of oil or gas.

15 "Liquefied natural gas " - a natural gas that has been changed into a liquid by cooling the
16 temperature at atmospheric pressure to approximately 260°F.

17 “Local Distribution Company” – includes a municipal distribution company, and is
18 referred to as an LDC.

19 “Local retail outlets” – Distributors of gas at retail to retail customers for individual
20 household use.

21 "Natural gas " - a type of gas which originates in the ground and is predominantly
22 methane.

23 "Propane air" - a type of gas produced by those facilities which add commercial grade
24 propane to air for mixture with natural gas .

25 “Provider” – anyone that purchases, acquires, transmits, barter, forfeits, exchanges,
26 transports, stores, processes, compresses or decompresses, distributes, sells or conveys gas for
27 resale or reuse and any Public Utility. A Provider may use one or more system types.

28 “Public Utility” – a gas or electric company as defined in section one of chapter one
29 hundred and sixty four, or any municipal corporation which owns or may acquire municipal

30 lighting plants as referred to in section two of said chapter one hundred and sixty four or any
31 person, firm, association, or private corporation which owns or operates works or a distribution
32 plant for the manufacture and sale or distribution and sale of gas for heating and illuminating
33 purposes, or of electricity, within the Commonwealth as referred to in section two of said chapter
34 one hundred and sixty four or any domestic electric utility or foreign electric utility as defined
35 in section one of chapter one hundred and sixty four A.

36 "Synthetic natural gas " - a type of gas which is made by a facility which produces a
37 gaseous fuel from the manufacture, conversion or reforming of liquid or solid hydrocarbons.

38 "System type" – any one of a gas distribution system, gas transmission or transportation
39 system, gas storage facility whether in liquefied or other state, gas production, gathering or
40 handling system. and a Public Utility.

41 Unaccounted-for-gas (UFG) —The difference between the total gas available from all
42 sources that is acquired by a system type and the total gas accounted for as sales, net interchange
43 and company use. This difference includes leakage or loss by other means, discrepancies due to
44 measuring or monitoring inaccuracies, variations of temperatures or pressures, or both, and other
45 variants .

46 (b). Calculation of UFG.

47 (1) When possible, UFG must be measured, computed and reported by system type.

48 (2) UFG for a system type equals Gas Received less Gas Delivered less Adjustments.

49 (3) Percent of UFG equals UFG divided by Gas Received times 100

50 (4) Gas received, gas delivered, and adjustments must represent actual gas quantities.
51 Measuring and monitoring equipment that meets current industry standards applicable in
52 Massachusetts must be installed. Estimates shall be treated as UFG unless clearly identified,
53 have supporting justification, assumptions and calculations and can be determined to be at least
54 as accurate as measured results. All records of acquisition by purchase or otherwise, sales and
55 internal usage must be made available and have been kept in the usual course of business.

56 (5) All lost and unaccounted for gas shall be presumed to be lost gas unless the portion
57 represented by unaccounted for gas, including but not limited to losses to company used gas,
58 liquids extraction, and meter errors due to inaccurate calibration or temperature and pressure
59 fluctuations, is proven by a preponderance of the evidence in a given ratemaking proceeding.

60 (6) A Provider shall be responsible for the UFG of each other Provider that is a source of
61 gas within the state that is not subject to ratemaking and the gas received for measuring UFG
62 shall be the gas received within the state by that Provider that it not subject to rate making.

63 (c). The cost of UFG in excess of the maximum allowable and all expenses for decreasing
64 UFG down to the maximum allowable shall be disallowed for ratemaking purposes.

65 (1) The maximum allowable loss is as shown in the following table.

66 Maximum Allowable Loss as a Percent of UFG per System Type

67 Year/ Distribution/ Transmission/ Storage/ Public utility/ Other

68 1/ 1.00%/ 0.50%/ 0.25%/ 0.25%/ 0.25%

69 2/ 0.750%/ 0.25%/ 0.10%/ 0.10%/ 0.10%

70 3/ 0.50%/ 0.10%/ 0.05%/ 0.05%/ 0.05%

71 4/ 0.25%/ 0.05%/ to/ to/ to

72 5/ 0.10%/ to

73 6/ 0.00%/ 0.00%/ 0.00%/ 0.00%/ 0.00%

74 (2) The calculation of the percentage of lost and unaccounted for gas shall be based on an
75 annual period. Notwithstanding the choice of test year for other aspects of ratemaking, and
76 unless a more appropriate period can be demonstrated by a preponderance of the evidence in a
77 given ratemaking proceeding, the annual period ends June 30, and is the most recent such period
78 for which data are available.

79 (3) Local retail outlets shall use best available technology and practices for preventing
80 leakage.

81 SECTION 2. Section 1 shall take effect on January 1, 2019.