

SENATE No. 3167

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Fourth General Court
(2025-2026)**

1 by inserting the following section:-

2 SECTION X. Chapter 164 of the General Laws is hereby amended by striking section
3 141 in its entirety and replacing it with the following: -

4 Section 141 (a). For the purposes of this section, the following words shall, unless the
5 context clearly requires otherwise, have the following meanings:-

6 “Applicant”, a person who requests to become a customer of natural gas service to real
7 property and who owns the real property requesting the service, including a developer, builder,
8 legal entity, or other person that has legal authority over the property.

9 “Line extension”, any extension of a gas distribution main, service lateral, or associated
10 infrastructure within a city or town served by a gas company installed for the purpose of
11 connecting a new customer to the gas distribution system of a gas company, as defined in section
12 1 of this chapter.

13 “Line extension allowance”, a bundle of costs, including but not limited to construction
14 allowances for line extensions, meters, and other infrastructure associated with the addition of a
15 new customer to a gas company’s gas distribution system.

16 (b) In all decisions or actions regarding rate designs, the department shall consider the
17 impacts of such actions on: (i) on-site generation; (ii) the replacement of gas infrastructure with
18 clean thermal energy infrastructure; (iii) the reduction of greenhouse gases as mandated by
19 chapter 21N to reduce energy use; (iv) efforts to increase efficiency and encourage non-emitting
20 renewable sources of energy; (v) the findings of utility-scale clean thermal energy pilots
21 approved by the department of public utilities pursuant to section 99 of chapter 8 of the acts of
22 2021; (vi) data collected related to the design and operation of networked geothermal
23 demonstration projects approved by the department of public utilities pursuant to chapter 102 of
24 the acts of 2021, including data on any reduction of lost and unaccounted for gas as defined in
25 section 147; and (vii) the use of new financial incentives to support energy efficiency efforts.
26 The department shall not approve, in any rate proceeding, tariff filing, or other proceeding, a rate
27 design, tariff provision, or cost recovery mechanism that allows a gas company to recover from
28 ratepayers the capital costs of a line extension undertaken to connect a new customer to the gas
29 distribution system other than pursuant to subsection (c). An applicant applying for new gas
30 service shall pay the full capital cost of any line extension unless such applicant demonstrates to
31 the satisfaction of the department or the secretary of the executive office of energy and
32 environmental affairs, acting pursuant to subsection (c), that an exception should apply.

33 (c) Notwithstanding subsection (b), a gas company may provide an applicant seeking a
34 line extension a line extension allowance if: (i) the applicant can demonstrate to the department's
35 satisfaction that it has no technically feasible alternative, electrification included, to the use of
36 natural gas; (ii) the secretary of the executive office of energy and environmental affairs, in
37 consultation with the secretary of the executive office of economic development, declares in
38 writing that the line extension allowance in question is needed to advance a project of critical

39 economic importance to the commonwealth; or (iii) the applicant is in a commercial and
40 industrial rate class and can demonstrate one or more of the following to the department's
41 satisfaction: (1) the end use requires sustained temperatures above approximately 300 degrees
42 Celsius; (2) the end use requires direct combustion characteristics; or (3) the end use involves a
43 demonstrable use of gas in tandem with a substantial decarbonization strategy.

44 (d) On or before January 31, 2029, the department shall establish, by regulation or order,
45 timelines and a process according to which a gas company or the department, as the case might
46 be, shall receive, evaluate, and adjudicate petitions filed pursuant to subsection (c), which
47 process shall include, at a minimum, (i) a requirement that the applicant submit to the gas
48 company and the department a site assessment, prepared by a qualified professional,
49 documenting the basis for the claimed absence of a technically feasible alternative; (ii) an
50 opportunity for the gas company and any interested party to respond to such petition; (iii) a
51 standard of proof applicable to the applicant's burden of demonstration; and (iv) a timeline for
52 departmental action on any such petition; provided, that the burden of demonstrating that no
53 technically feasible alternative exists shall rest with the applicant.

54 (e) If the department grants an exemption pursuant to this section, it may, in its
55 discretion, authorize partial ratepayer cost recovery of line extension costs, subject to such
56 conditions as the department deems appropriate, and consistent with the policy objectives of this
57 section.

58 (f) On or before April 30, 2029, each gas company shall file with the department tariff
59 updates, to be effective July 31, 2029, to reflect the removal of line extension allowances and
60 any other incentives for an applicant to establish gas service to real property. As of July 31,

61 2029, any provision of a gas company's tariff on file with the department as of the effective date
62 of this section that is inconsistent with this section, including any line extension tariff authorizing
63 recovery of line extension costs from ratepayers, shall be deemed superseded by this section and
64 of no further force or effect with respect to line extensions initiated after July 31, 2029.

65 (g) This section shall apply to all line extensions for which an application is submitted to
66 a gas company after July 31, 2029. Nothing in this section shall be construed to affect cost
67 recovery obligations with respect to line extensions initiated on or before such date.

68 (h) The department may promulgate regulations to effectuate the purposes of this section.