Contact
BGE Communications
Media hotline: 410-470-7433

RE: BGE Opening Statement, Baltimore City Council Hearing, Health, Environment, & Technology
Baltimore City Hall, July 12, 2023 – 5:00 p.m.

Good evening, Committee Chair McCray, Council President Mosby, and members of the City Council. Thank you for inviting us to today's informational hearing on the placement of gas service regulators.

We are excited for this opportunity to educate, enlighten and share information with you on the safe placement of gas service regulators.

Over the last few years, even prior to our new standards, we have shared our position on high pressure gas equipment inside of customer homes. We have had robust discussions with our state regulators, legislators and communities concerning the installation of outside regulators. The Maryland Public Service Commission has scheduled a hearing on this topic for August 15th and has invited input from all stakeholders. We welcome today's hearing and the opportunity to continue the discussion and educate the council on this topic.

BGE has placed gas service regulators on the outside of homes for decades. In locations where high-pressure gas was available to customers, we would provide the gas service installation with the associated gas service regulator and meter, often on the outside of homes.

In 2013, the Maryland General Assembly empowered gas utilities in the State of Maryland to accelerate the replacement of older, often low-pressure systems through the Strategic Infrastructure Development and Enhancement Plan (STRIDE). As BGE replaced the low-pressure systems in these older neighborhoods with high-pressure systems though the STRIDE program, we introduced the gas service regulators as part of the new installation.

It has been stated outdoor regulators have been installed without customer consent and without prior notice. That is simply NOT the case. Before we perform the STRIDE work, BGE sends letters to impacted customers concerning the replacement of gas lines. The work performed to replace the aging infrastructure starts with the installation of new gas mains in the roadway. This work is performed over a period of weeks and sometimes months. While this work is being conducted, letters are sent to each customer requesting they schedule an appointment to inspect the existing gas equipment inside of their homes. This inspection is done prior to any work being performed and requires the customer's consent to enter their homes. After this inspection is performed, each customer is asked to provide a date and time at which the installation can be performed. Once the date is set, the customer allows our crews to enter their homes, all gas appliances are turned off, the old gas service is disconnected and a new gas service and associated equipment, including the regulator, are installed. Following this, each appliance is turned back on and relit. None of this work is done without the customer knowing about it and it is done with their consent.

It has also been stated that the replacement of the aging infrastructure being performed by BGE and other gas utilities in Maryland is a cash grab or a last-ditch effort to secure profits ahead of electrification. That is also NOT the case. It is being done because we have an existing gas system which

needs to be modernized. The federal government acknowledged the need to replace aging infrastructure in our country which led the State of Maryland to pass STRIDE. We have an obligation to ensure the safety of the gas system and replacing the aging infrastructure helps us meet this obligation. The belief that we are doing this work to protect revenues because of electrification are ill-formed.

BGE is very supportive of the state's climate change goals. We have a history of investing in and planning for a cleaner and more sustainable future for Maryland, including our own Path to Clean roadmap to net-zero operational GHG emissions. Replacing centuries old cast iron pipe significantly reduces methane emissions which reinforces BGE's commitment to the state's environmental goals.

BGE has the authority to perform this work. This authority is granted by statute in the Public Utilities Article in the Annotated Code of Maryland, through regulatory authority under COMAR and our actions are protected under the Gas Service Tariff with our customers, the contents of which are approved by the Maryland Public Service Commission in an open and transparent process. Any assertion that the work we are performing is illegal is patently false.

Based upon industry best practices and our experience through decades of operating a gas system BGE works to consistently improve its operations. We have monitored laws in other jurisdictions requiring regulators to be placed outside and have participated in industry-wide discussions on this issue. It was not until recently, however, that we standardized on the industry best practice of placing gas regulators on the outside of structures and made it a part of our engineering and construction standards.

BGE is not the only utility installing outdoor regulators as part of its system upgrades. Our safety practice is consistent with other Mid-Atlantic gas companies regarding outdoor gas regulator installations. In addition, Delaware, Pennsylvania, and the District of Columbia, each have statutes that require the outdoor placement of most gas equipment.

The recent change is linked to the National Transportation Safety Board's (NTSB) recommendations following the investigation of the Flower Branch incident in Montgomery County where seven people died due to several factors including failed regulator operation. Following the recommendations from NTSB and a state law requiring the relocation of outside regulators on multi-family dwellings and the installation of outdoor regulators all new construction, BGE made the decision to move forward with our new standard requiring new regulators to be placed on the outside of dwellings.

This is about safety. Safety for our customers and their communities . Period. As we reflect on the gas incidents which have been the most catastrophic on our system, most of them are linked to the release of natural gas inside of structures resulting in an explosion. Introducing high pressure gas equipment inside of homes increases customer risk and increases the consequence of an incident should equipment fail, are tampered with, or become damaged.

Things go wrong. Devices fail. Accidents occur. The question we face is when things go wrong, is it safer to have high pressure gas equipment in an indoor environment where gas will accumulate and eventually present the risk of combustion or is it best to have high pressure gas equipment on the outside of structures where it can be in an open environment and dissipate safely. It is better and it is safer to have high pressure gas equipment outside of structures.

Thank you.