HOUSE . . . . . No. 4129

The Commonwealth of Massachusetts

In the Year Two Thousand Twelve

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:

SECTION 1. Chapter 164 of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by adding the following section:-

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

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

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

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

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

21 (4) Starting March 1, 2014, each gas company shall report annually to the department the
22 location of each Grade 1 and Grade 2 leak existing as of that date classified by the company, the
23 date each Grade 1 and Grade 2 leak was classified, and the date of repair performed on each
24 Grade 1 and Grade 2 leak as part of its service quality standards report required by chapter 164,
25 section 1I. Such gas leak information shall be made available to any municipal or state public
26 safety official upon 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 continue to oversee and monitor
29 company 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 2013, 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 gas infrastructure replacement project plan, subject to the department's
41 review and approval. A plan shall include, but not be limited to, the replacement of mains,
42 services, meter sets and other appurtenant 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 project plan on or before October 15th of a calendar year,
45 the department shall review the work plan targets within six months, and shall authorize a rate
46 factor becoming effective April 15th of the next calendar year 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 addressing leak-prone infrastructure most
51 immediately in need of replacement. If such a plan is approved, final project documentation shall
52 be filed with the department within one year of such approval to demonstrate that project costs
53 were reasonably and prudently incurred. The department shall investigate such costs within eight
54 months, and the department shall have the authority to reconcile the authorized rate factor if
55 necessary.