State Regulatory Proceedings: Massachusetts & Connecticut

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Agenda

- Safety Moment
- Overview of Current Regulatory Landscape
- How Eversource Manages State Regulatory Proceedings
- Implications
  - MA
  - CT
- Conclusion

Safety Moment

- Rain Safety
  - Driving
    - Headlights
    - Slow down
    - Avoid hard braking and turns
  - House Rain Tips
    - Roof and gutter inspections as early as possible
    - Check for water leaks inside home
    - Take care of dead branches, trees, etc.
  - Flooding
    - Listen to local weather
    - If in a car and an area is flooding, turn around
    - Emergency supply of necessities on hand
    - Additional insurance

Source: https://www.elcaminohealth.org/stay-healthy/blog/safety-tips-rainy-season, **Accessed March 20, 2024.**

Overview of Current Regulatory Landscape

- Connecticut (PURA) and Massachusetts (DPU) each have ongoing state regulation changes which will significantly impact gas LDCs
  - DPU 22-100
  - PURA Gas Pipeline Safety Standards
- Impetus for proposed changes stems from climate legislation requiring regulations to reflect climate impacts, environmental risk mitigation, and industry events resulting in calls for tighter safety protocols
- More state inspection oversight and audits
- Higher penalties
- More challenging consent requirement on NOVs

How Eversource Manages State Regulatory Proceedings

- Established a committee to manage the various state & federal regulations currently being processed
  - Working Subcommittee responsible for soliciting updates, comments from respective departments with regards to potential impacts of proposed regulations and tracking any changes in proposed regulatory process
  - Executive Steering Committee (Gas Business Leadership): the approver of any final actions in relation to strategy and final deliverables

- Meet monthly/bi-monthly with Gas Business Leadership and other affected parties to provide updates on any changes to the regulations, regulatory process, and to provide better cost estimates as they are developed.

How Eversource Manages State Regulatory Proceedings (Assessment & Assumptions)

- Undertook rigorous assessment process of every proposed regulation and assigned a “grade”, ranking in terms of significant impact

- Information presented to the Gas Business Leadership focuses on the most impactful (costly) individual changes and does not intend to represent the overall cumulative cost per state or federal code of implementing all proposed changes

- Initial costs estimates were for scoping purposes only and were high-level in general. Since then, we have undertaken an in-depth assessment with our accounting and finance teams to develop an estimate with greater accuracy
  - Cost projected as incremental costs rather than cost of impacts
    - Past spend (using most recent data)
    - Projected cost impact of regulation
    - Difference provides the incremental cost to the company

Massachusetts (DPU) Process Overview

- December 5, 2022, DPU provided a draft of proposed changes to the DPU regulations to amend 220 CMR 100.00 and 220 CMR 101.00
- Proposed changes to 220 CRM 101.00 include:
  - Incorporation requirements to address the Climate Act, including provisions regarding oversight of gas contractors, distribution of maps and records, issues associated with over pressurization; compliance with respect to meters and regulators, MAOP provisions, and operator qualifications
- The DPU established an aggressive timeline for LDC review and comments on the proposed changes
- Northeast Gas Association (NGA), Keegan Werlin (KW) and individual LDCs, including Eversource, were allowed to provide limited comments on an expedited basis
- In conjunction with comment submittal, (2) technical sessions (March 23, 2023, and April 27, 2023) were held to allow for further discussion/understanding of these changes. These sessions afforded LDCs the opportunity to discuss the impact of proposed changes and to discuss alternate approaches to address DPU concerns
- NGA submitted joint industry comments to DPU on June 30, 2023, and reply comments on July 27, 2023
- The AGO's submitted comments on July 31, 2023 , urging rejection of many of the LDCs' recommendations

Massachusetts (DPU)
220 CMR 101.06(7): Meters and Regulators

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- *The regulation would require that service regulators on service lines without an excess flow valve (EFV) be replaced, with meter replacement, within 7 years of installation. Because LP lines do not include a regulator, then this would apply to IP and HP service lines*
- *As part of normal maintenance/repair, Meter Services currently replaces approximately 240 regulators per year*
- *This new regulation would increase this average number being replaced (due to maintenance) from approximately 240/yr to > 7000/yr*
- *Assumptions:*
  - *Current total number of IP/HP services that include a regulator but no EFV, is based on GIS data (for NSTAR)*
  - *Based on system planning data NSTAR has ~ 223K IP/HP services, EGMA has ~ 258K.*

(7) Meters and Regulators. (MFS Standards § 192.353).-

(a) Meters and regulators shall be installed so as to protect them from anticipated or potential dangers, including but not limited to vehicles, falling ice and snow, flooding, or corrosion.

(b) Service Regulators:

1. Operators shall not install or operate a service regulator located within ten feet of a source of ignition or an air intake into a building. Utilities shall not install or operate a service regulator located within three feet from an opening into a building or any electrical source not intrinsically safe.

a. The distance shall be measured from the vent or source of release (discharge port), not from the physical location of the meter set assembly; and

b. If the operator learns of a regulator that fails to meet the three- or ten-foot minimum distance requirement, it shall resolve the problem by extending the regulator vent to meet the requirement within 60 days of discovery.

Massachusetts (DPU)
220 CMR 101.06(2): Overpressure Protection

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- *This proposed regulation would require the upgrades to MA overpressure protection devices (slam shuts), telemetry, and sense line protection at district regulator stations within two years of the effective date of the regulation*

- *As written, the interpretation is difficult to decipher:*
  - *"Major Maintenance"*
  - *"Future Construction Activities for New…"*
  - *"Otherwise Changed" – PHMSA*

- *Due to this, Eversource has made some educated assumptions:*
  - *Slam shut installs will only be required at LP stations*
  - *Telemetry installs will only be required at LP stations*
  - *Sense line plating will be required at all stations*
  - *All other currently written DPU proposed regulations beyond those listed above will not be part of final regulation*
  - *Work needs to be completed within two years of effective date of the regulation*
  - *Engineering standards regarding OPP have already been updated to meet many of these requirements*

~~(5) Design Limitations for Plastic Pipe. (Section 192.123~~ (2)Overpressure Protection. (MFS Standards~~.)~~§§ 192.195, 192.201, 192.741).~~

(a) Operators shall take steps to protect their distribution systems from overpressure events. In addition to complying with 49 CFR Part 192, operators shall implement the following additional requirements within two years of the effective date of ~~this regulation~~220 CMR 101.00, operators shall:

1. Install one of the following:
   a. a "slam shut" device in the station including in applications where there is only worker-monitor pressure control, or
   b. a third regulator;
   c. a full-capacity relief valve immediately downstream of the station only where a slam shut or third-regulator are not practicable.
2. Install and employ telemetered pressure recordings at Pressure Limiting and Regulating Stations in order to signal failures immediately to operators at control centers. The telemetering pressure gauge shall be installed at the outlet of each Pressure Regulating Station;
3. Completely and accurately locate, map, and document the location of all control (i.e., sensing) lines within the system. The control line mapping shall include, but not be limited to, the line size, depth, length, material and distance of each line from reference points;
4. Ensure that all underground control lines not contained within the safety of a Pressure Regulating Station vault or pit are plated to protect from possible damage. The location, depth and size of the plates shall be mapped and documented as specified in 220 CMR 101.06(2)(a)(3);
5. Ensure that all aboveground control lines are secured by the installation of a fence or protective enclosure.
6. Ensure that all overpressure protection is set below MAOP of the downstream system, with the exception of the devices mandated by 220 CMR 101.06(2)(a)(1) which may be set at MAOP;
7. Establish procedures requiring the isolation of overpressure protection devices if MAOP could be exceeded during maintenance or testing;
8. Ensure that all steel control lines are cathodically protected in compliance with 49 CFR 192.463;
9. Maintain a list of critical valves and Pressure Limiting and Regulating Station isolations. The list shall be readily available for all personnel that would need to operate these valves. The list shall contain the number of turns needed to operate each valve and the direction the valve must be rotated to close it;

Connecticut (PURA—GPSU) Process Overview

- PURA in 2019 and 2020 reviewed other states regulations for consideration
- January 8, 2021, the PURA proposed significant changes to the GPSU regulations
- Northeast Gas Association (NGA) coordinated a series of meetings among the Connecticut LDCs and developed and consolidated comments and proposed edits
- With each incorporation of changes, LDCs were given the opportunity to provide additional comments. Throughout 2021 and 2022, Eversource with the other LDCs, provided multiple sets of comments and meetings with PURA
- PURA developed a total of 109 new regulations
- After a final collaborative session with impacted LDCs on November 9, 2023, a final draft of PURA Gas Pipeline Safety Standards issued Jan. 3, 2024.
  - AG's review of PURA Gas Pipeline Safety Standards completed, and edits sent out March 19, 2024
  - Next is review with CT's legislative regulatory review committee
- PURA expects to implement new regulations with an effective date of Jan 1, 2026*
  - *depending on length of legislative review

Connecticut (PURA—GPSU)

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Backup Electrical Supply:

- *As written, (a) will be applied retroactively*
- *Some legacy designs may not meet the 48-hour backup electrical criteria and a significant amount of re-design may be needed to make existing facilities compliant*
- *No flexibility provided for manual intervention*

Telemetry Equipment:

- *(a) This regulation will require a significant cost to add telemetry where needed and to upgrade existing telemetry to capture required data*

(NEW) **Sec. 16-280b-A26. Backup electrical supply**

(a) A backup electrical supply for any equipment needed to maintain over-pressure protection shall be provided.

(b) On or before January 1, 2036, all Telemetry Equipment supplied by commercial power shall have a backup electrical supply capable of maintaining operation for at least 48 hours.

(NEW) **Sec. 16-280b-B30. Telemetry Equipment**

(a) On or before January 1, 2036, Telemetry Equipment shall be installed and transmit the following data:
(1) the inlet and outlet pressures at Gate Stations and District Regulator Stations;
(2) any data necessary to ensure proper operation of any odorization equipment;
(3) the output from fire and Gas detection devices at all Gate Stations;
(4) the output from an intrusion detection device on all building doors at Gate Stations;
(5) Gas temperature downstream of the last pressure regulating device at a Gate Station or District Regulator Station with Gas heating equipment; and
(6) the pressure at sufficient locations downstream of Gate Stations and District Regulator Stations such that the Operator can ensure reliable Gas delivery, such as approximate system endpoints and Gas flow null points based on system modeling. These locations shall be reviewed every 10 years. If necessary, locations shall be relocated not later than 1 year after the review.

Connecticut (PURA—GPSU)

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- *This new regulation will require that LDCs capture significantly more data in GIS that is currently required*
- *In addition to software changes, this will also require changes to Eversource's mapping OM requirements and training*

(NEW) **Sec. 16-280b-B22. Maps and Records**

(a) On or before January 1, 2031, each Operator shall utilize a GIS to accurately map the location, using Global Positioning System coordinates, or equivalent methods, of all Mains and Service Lines.

(b) The following information, as applicable, shall be accessible through the GIS for each Main and Service Line and be maintained for the life of such facilities:

(1) date of installation;
(2) material description;
(3) Pipe size;
(4) Pipe wall thickness or standard dimension ratio;
(5) manufacturer;
(6) date of manufacture;
(7) all relevant identification numbers for materials and components, including model, serial, batch, lot and heat numbers;
(8) pressure regulating or relieving device installed interchangeable components, such as orifice size, core size and spring pressure range;
(9) maximum design pressure;
(10) specified minimum yield strength;
(11) hydrostatic design basis;
(12) MAOP;
(13) depth, at intervals of no more than 40 feet and at any location where depth changes significantly;
(14) locations where Pipe was subject to sections 16-280b-B18(a)(1) or 16-280b-B18(c)(1) of the Regulations of Connecticut State Agencies or has less cover than was required at the time of installation;
(15) locations where Pipe has less than 12 inches of clearance from non-Operator owned belowground Utilities;
(16) locations where Pipe was inserted into a Conduit;
(17) locations where PIPE is installed with less than 12 inches of clearance;
(18) locations where plastic Pipe has been squeezed-off;
(19) locations of inoperable valves;
(20) location of each weld and the name(s) of the Welder(s) or Welding Operator(s) that performed said welding;
(21) location of each plastic Pipe joint and the name of the person that performed said joining; and
(22) the geospatial limits of each cathodic protection system and all Pipe segments included in each of these systems.

(c) For Pipeline Facilities that existed prior to January 1, 2031, the information required in subsection (b) of this section, is limited to readily available data and new information gained over time through normal activities.

Conclusion

- Eversource closely following developments with new regulations at state level, as well as new rule at federal level
- Throughout the process, Eversource has been collaborating with NGA and other LDCs to ensure that our interpretation of new regulations are consistent
- Next steps will include getting final incremental costs, determine process for integrating new regulations into procedures, and updating operations and engineering teams on upcoming changes due to regulations

Questions ?