

The Commonwealth of Massachusetts

In the Year Two Thousand Twelve

1 SECTION 1. Chapter 164 of the General Laws is hereby amended by inserting the following
2 section:-

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

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

6 (1) Grade 1. A leak that represents an existing or probable hazard to persons or property. Such a
7 leak requires repair and continuous action until the conditions are no longer hazardous.

8 Completion of repairs shall be scheduled immediately, and the condition kept under continuous
9 surveillance until the hazard or source of the leak is eliminated.

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

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

20 (4) Starting March 1, 2014, each gas company shall report annually to the department the
21 location of each Grade 1 and Grade 2 leak existing as of that date classified by the company, the
22 date each Grade 1 and Grade 2 leak was classified, and the date of repair performed on each
23 Grade 1 and Grade 2 leak as part of its service quality standards report required by chapter 164,
24 section 11. Such gas leak information shall be made available to any municipal or state public
25 safety official upon request to the department.

26 (c) The department shall promulgate regulations necessary to implement the uniform leak
27 classification standards as specified in this section, and shall continue to oversee and monitor
28 company response and reporting.

29 (d) The department shall investigate whether the state should require the winter surveillance and
30 patrol of cast iron gas pipelines in the commonwealth, and shall determine whether the presence
31 of extended frost cap conditions may result in additional stress on cast iron pipe segments,
32 requiring enhanced surveillance and patrol. The department is authorized to establish minimum
33 uniform procedures for cast iron winter surveillance and patrols. Gas companies are authorized
34 to establish procedures that exceed any minimum standards at their discretion.

35 (e) Commencing with calendar year 2013, the department shall establish an infrastructure
36 replacement program to address aging natural gas infrastructure in the interest of public safety
37 and reducing lost and unaccounted for gas. Gas companies shall be authorized to file with the

38 department an annual gas infrastructure replacement project plan, subject to the department's
39 review and approval. A plan shall include, but not be limited to, the replacement of mains,
40 services, meter sets and other appurtenant facilities composed of non-cathodically protected
41 steel, cast-iron and wrought iron, as leak-prone materials. Provided that a gas company files its
42 annual gas infrastructure replacement work plan on or before October 31 of a calendar year, the
43 department shall review the work plan targets within six months, and shall authorize a rate factor
44 becoming effective May 1 of the year following the filing of the work plan to collect any revenue
45 requirement, including depreciation, property taxes and return associated with the approved work
46 plan. The department shall consider the costs and benefits of a plan, including, but not limited to,
47 impacts on ratepayers, reductions of lost or unaccounted for gas and improving public safety in
48 making its final determination, giving priority to plans addressing leak-prone infrastructure most
49 immediately in need of replacement. If such a plan is approved, final project documentation shall
50 be filed with the department within one year of such approval to demonstrate that project costs
51 were reasonably and prudently incurred. The department shall investigate such costs within eight
52 months, and the department shall have the authority to reconcile the authorized rate factor if
53 necessary.