

# **PUBLIC SERVICE COMMISSION OF MARYLAND**

## **Report on the Progress of Gas Companies in Relocating Gas Service Regulators**

Pursuant to the 2021 Flower Branch Act  
Maryland Public Utilities Article, §7-313, *Annotated Code of  
Maryland*

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## **Background**

On August 10, 2016, an explosion and fire occurred in a four-story apartment building at 8701 Arliss Street in the Flower Branch Apartments complex in Silver Spring, Maryland. This accident also heavily damaged an adjacent apartment building at 8703 Arliss Street, resulting in seven fatalities and 65 civilians being transported to local medical facilities. Additionally, three firefighters sustained minor injuries. On August 17, 2016, the National Transportation Safety Board (“NTSB”) launched an investigation. The NTSB issued its final report on June 10, 2019, and determined that the probable cause of the explosion in Building 8701 of the Flower Branch Apartments complex was the failure of an indoor mercury service regulator with an unconnected vent line, which allowed natural gas to vent into the meter room, where it accumulated and ignited from an unknown ignition source. The NTSB Final Report contains 13 recommendations—one directed to Washington Gas Light Company (“WGL”) to relocate indoor gas regulators outside occupied structures whenever the gas service line, meter, or regulator is replaced while prioritizing multifamily structures over other dwellings.

The Flower Branch Act (House Bill 345) was enacted in 2021 by the Maryland General Assembly and signed into law by Governor Larry Hogan. The Flower Branch Act seeks to prevent future occurrences such as the 2016 explosion by requiring, among other things, all gas companies in Maryland to relocate to the outside of the structure any indoor gas regulators that provide service to a multifamily residential structure.

The Act required that on or before January 1, 2022, a gas company must file a plan with the Public Service Commission to relocate any indoor gas regulators that provide service to a multifamily residential structure. After a gas company files its plan, the Act required the Commission, on or before January 1, 2023, to approve, disapprove, or approve with modifications, a gas company’s plan. If the Commission were to disapprove of its plan, the gas company would have 60 days to refile. The Flower Branch Act also authorizes the Commission’s Technical Staff to exempt an indoor gas regulator from relocation if an exemption is warranted after considering certain factors.

Subsequently, indoor gas regulator relocation (IRR) plans were filed by affected gas companies in compliance with Public Utilities Article (PUA), §7-313(b)(3), *Annotated Code of Maryland*. The affected gas companies in Maryland are Baltimore Gas and Electric Company (BGE), WGL, and Easton Utilities. No other Maryland gas company has an indoor gas regulator at an occupied structure that meets the Flower Branch Act’s definition of multifamily residential structure.

The Commission issued Order No. 90250 on June 7, 2022, approving the IRR plans filed by the gas companies. BGE’s IRR plan provides that it will complete the relocation of these indoor gas regulators by calendar year (CY)2031. WGL’s IRR plan proposes that it will

complete the relocation of these indoor gas regulators by CY2032. Easton Utilities stated that it located just one indoor gas regulator serving a multifamily residential structure which it planned to relocate in CY2022.

On October 25, 2022, Easton Utilities filed a notice with the Commission that the relocation of its single indoor gas regulator subject to the statute was completed on October 19, 2022.<sup>1</sup> Therefore, Easton Utilities' status will not be included in these annual progress reports to the Governor and the General Assembly given that it completed its gas service regulator relocation prior to the January 1, 2023 statutory deadline for the Commission to rule on gas company plans.

The Flower Branch Act also requires the Commission to submit a report on the progress of each gas company's indoor gas regulator relocation efforts to the Governor and the General Assembly on or before March 1 of each year, beginning in CY2023. This is the third annual report on each affected gas company's progress in relocating indoor gas regulators.

### **CY2024 IRR Plan Highlights**

CY2024 marked the third year of the Flower Branch Act indoor gas regulator relocation requirement for affected gas companies. In the third year of implementation, these gas companies encountered a variety of challenges, but they continue to work through each to move forward with the program. These challenges include supply chain issues, customer cooperation in scheduling relocations and gaining access to equipment, additional work involving gas service renewals, additional work installing new or relocating existing gas service risers, and the identification of additional locations in need of indoor gas regulator relocation compared to original forecasts, among other things. Accordingly, this report includes updated plan numbers based on the affected gas companies' latest forecasts.

The affected gas companies also implemented customer outreach programs:

- BGE has engaged in multiple customer education and outreach activities, including a dedicated [webpage](#) for indoor gas regulator relocation information and an information handout card for customers, displayed in the Appendix, that provides an overview of the gas regulator relocation program, including a QR code that directs customers to the program webpage for additional information. BGE also created a dedicated email address (GSRR@exeloncorp.com) so that customers can contact the company directly with any questions or concerns. BGE has also scheduled and attended in-person site visits with owners and property managers of multifamily properties to discuss necessary indoor gas regulator relocations, the design/construction process, messaging to residents, and what to expect when the indoor gas regulator relocation work takes place. BGE has also

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<sup>1</sup> See Maillog No. 242797.

met and will continue to meet with local jurisdiction officials across BGE's gas system service territory to establish a process for addressing the program and associated permitting requirements.

- WGL has retained the services of a contractor to perform customer outreach and survey sites to plan for indoor gas regulator relocations in sequential phases. WGL delivers a letter of explanation to building management in advance of calling or visiting sites. This is an effort to prepare building points-of-contact for a survey request and, subsequently, relocation work.

Gas companies may replace infrastructure to improve public safety and reliability under their Strategic Infrastructure Development and Enhancement (STRIDE) program plans approved under PUA §4-210 with costs recovered under a surcharge. In 2024, WGL also performed regulator relocation work both inside and outside of its STRIDE Program. Starting in 2024, BGE performed all its regulator relocation work as part of its multi-year rate plan.

### **CY2024 IRR Plan Update and Progress Report**

BGE's latest updated IRR forecast is to relocate over 9,079 indoor gas regulators by the end of CY2031 at a cost of approximately \$124.2 million. WGL's latest updated IRR forecast is to relocate approximately 4,890 indoor gas regulators by the end of CY2032 at a cost of approximately \$96.9 million. Combined, both companies' IRR plans will result in the relocation of approximately 13,969 indoor gas regulators in Maryland at a cost of approximately \$221.1 million. In CY2024, BGE relocated 675 indoor gas regulators and WGL relocated 245 indoor gas regulators.

Of the 675 BGE IRR completions in CY2024, none were at nursing homes, none were at hotels, 4 were at condominiums, 607 were at apartment buildings, and 64 were at residential locations. Of the 245 WGL completions in 2024, all of them were at apartment buildings.

The Flower Branch Act also authorizes the Commission to exempt a gas service regulator from relocation if the Commission finds that an exemption is warranted after considering certain factors. In CY2024, WGL requested four locations to be exempted and was granted an exemption for each one. BGE did not request any exemptions in CY2024.

The latest IRR plan update on progress and future projections for both the number of indoor gas regulator relocations and capital costs<sup>2</sup> is listed in Table No. 1 below. CY2022 through CY2024 data is based on actual IRRs and CY2025 and beyond is based on forecast IRRs. In addition, the CY2024 IRR plan update on actual IRR completions in CY2022 through

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<sup>2</sup> BGE and WGL both forecast a minimal amount—less than \$5,000 annually—of associated operations and maintenance expenditures associated with their gas regulator relocation programs that are not included in the costs in Table No. 1.

CY2024 total forecast IRRs and IRRs remaining is listed by county/city location through the end of the program in Table No. 2 below.

**Table No. 1 – Inside Gas Regulator Relocation (IRR) Numbers and Costs**

| <b>Calendar Year</b> | <b>Actual or Forecast Data?</b> | <b>BGE IRRs</b> | <b>BGE Capital Cost</b> | <b>WGL IRRs</b> | <b>WGL Capital Cost</b> | <b>Total IRRs</b> | <b>Total Capital Cost</b> |
|----------------------|---------------------------------|-----------------|-------------------------|-----------------|-------------------------|-------------------|---------------------------|
| CY2022               | Actual                          | 453             | \$653,251               | 40              | \$0 <sup>3</sup>        | 493               | \$653,251                 |
| CY2023               | Actual                          | 785             | \$8,310,289             | 122             | \$1,007,296             | 907               | \$9,317,585               |
| CY2024               | Actual                          | 675             | \$8,237,768             | 245             | \$6,180,035             | 920               | \$14,417,803              |
| CY2025               | Forecast                        | 1000            | \$15,001,500            | 250             | \$5,005,000             | 1250              | \$20,006,500              |
| CY2026               | Forecast                        | 1000            | \$15,001,500            | 250             | \$5,005,000             | 1250              | \$20,006,500              |
| CY2027               | Forecast                        | 1000            | \$15,001,500            | 500             | \$10,005,000            | 1500              | \$25,006,500              |
| CY2028               | Forecast                        | 1000            | \$15,001,500            | 1000            | \$20,005,000            | 2000              | \$35,006,500              |
| CY2029               | Forecast                        | 1000            | \$15,001,500            | 1000            | \$20,005,000            | 2000              | \$35,006,500              |
| CY2030               | Forecast                        | 1083            | \$16,001,500            | 633             | \$12,665,000            | 1716              | \$28,666,500              |
| CY2031               | Forecast                        | 1083            | \$16,001,500            | 500             | \$10,005,000            | 1583              | \$26,006,500              |
| CY2032               | Forecast                        | 0               | 0                       | 350             | \$7,005,000             | 350               | \$7,005,000               |
| <b>Totals</b>        |                                 | 9079            | \$124,211,808           | 4890            | \$96,887,331            | 13969             | \$221,009,139             |

Washington Gas for CY2024 changed the manner of how it reports the data for its Inside Gas Regulator Relocation (IRR) County/City Overview. Previously, Washington Gas reported its data based on its internal records which resulted in 7,180 identified sites for CY2023. In CY2024, Washington Gas decided to report identified sites based on its field surveys which resulted in 1,109 identified sites. The reduction in the number of identified sites was the result of the actual field surveys physically verifying the existence of the inside regulators. This change resulted in a decrease of 6,071 identified sites requiring regulator relocation from previous reports.

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<sup>3</sup> Although WGL completed 40 indoor gas regulator relocations in CY2022, its total IRR expenditures was \$0.00 since these relocations were included in STRIDE program costs.

**Table No. 2 – Inside Gas Regulator Relocation (IRR) County/City Overview**

| <b>County/ City</b> | <b>BGE<br/>IRRs<br/>Cumulative<br/>Completed</b> | <b>WGL<br/>IRRs<br/>Cumulative<br/>Completed</b> | <b>Total<br/>IRRs<br/>Cumulative</b> |
|---------------------|--------------------------------------------------|--------------------------------------------------|--------------------------------------|
| Anne Arundel        | 210                                              | N/A                                              | 210                                  |
| Baltimore City      | 148                                              | N/A                                              | 148                                  |
| Baltimore County    | 1356                                             | N/A                                              | 1356                                 |
| Calvert             | N/A                                              | 0                                                | 0                                    |
| Carroll             | 1                                                | N/A                                              | 1                                    |
| Cecil               | 0                                                | N/A                                              | 0                                    |
| Charles             | N/A                                              | 0                                                | 0                                    |
| Frederick           | 0                                                | 0                                                | 0                                    |
| Harford             | 46                                               | N/A                                              | 46                                   |
| Howard              | 141                                              | N/A                                              | 141                                  |
| Montgomery          | 0                                                | 142                                              | 142                                  |
| Prince George's     | 11                                               | 265                                              | 276                                  |
| St. Mary's          | N/A                                              | 0                                                | 0                                    |
| <b>Total</b>        | 1913                                             | 407                                              | 2320                                 |

# Appendix

## BGE Gas Regulator Relocation Information Handout Card

### Front



### Gas Service Regulator Relocation Program

BGE is committed to providing safe and reliable natural gas service to our customers. In compliance with the recently enacted Public Utilities Article § 7-313 of the Maryland Code, BGE is relocating gas service regulators that are currently located inside multi-family residential structures that contain six or more dwelling units to outside of the structures.



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Scan the  
QR Code  
to learn more



Or visit us **online** at:  
[www.bge.com/GSRR](http://www.bge.com/GSRR)



If you have any additional questions about the regulator relocation program, please contact BGE at [GSRR@exeloncorp.com](mailto:GSRR@exeloncorp.com)