This testimony is being submitted jointly by Yankee Gas Services Company dba Eversource Energy (“Eversource”), Connecticut Natural Gas Corporation and The Southern Connecticut Gas Company. We thank the committee for the opportunity to provide testimony on House Bill 7246 that has been raised for public hearing.

Eversource provides natural gas to 222,000 customers in 72 communities in Connecticut. Eversource harnesses the commitment of its approximately 7,800 employees, 3,300 in Connecticut, across three states to build a single, united company around the mission of delivering reliable energy and superior customer service.

The Southern Connecticut Gas Company ("SCG") and Connecticut Natural Gas Corporation ("CNG") are subsidiaries of AVANGRID, Inc. (NYSE: AGR). Established in 1847, SCG serves approximately 190,000 residential, commercial, and industrial natural gas customers in the greater New Haven and Bridgeport areas of Connecticut. CNG, established in 1848, serves approximately 170,000 residential, commercial, and industrial natural gas customers in the greater Hartford-New Britain area, and Greenwich, Connecticut.

**HOUSE BILL 7246 – AN ACT ESTABLISHING PARITY FOR OIL AND GAS LEAK REPAIRS**

Eversource, Connecticut Natural Gas, and The Southern Connecticut Gas companies (collectively, the Local Distribution Companies, or “LDCs”) are heavily regulated public utilities. The LDCs fall under the scrutiny of the State of Connecticut Public Utilities Regulatory Authority (“PURA”) and regulations set by United Stated Department of Transportation Pipeline and Hazardous Materials Safety Administration (“PHMSA”).

Each LDC has a comprehensive leak management program. These programs meet and exceed PHMSA and PURA regulations. The programs begin with a proactive leak survey to find natural gas leaks. Once leaks are detected, they get classified according to the potential risks they pose and are handled accordingly. The goal of these surveys is to find and repair leaks before they become a hazard to the public.

The LDCs believe that the established system of monitoring and repairing system leaks is well designed to protect the public, and prioritizes leaks that pose the greatest threat to both persons and property. The responsibility of identifying leaks, maintaining leak records, and scheduling repairs belongs appropriately to the local gas utility that has appropriate Federal and State regulations and oversight. It is each LDC’s job to maintain and secure its system, including the identification and, when necessary, the repairs of leaks on the system. Leaks are graded and reported to state regulators on a regular basis and in accordance with the state’s directive on leak classification and reporting.
Connecticut LDCs are required to respond to leak calls from customers in a timely manner. Specifically, they must respond within 30 minutes if a leak is reported during normal business hours and within 45 minutes if a leak is reported after hours or on a holiday. Further, the LDCs submit monthly reports to PURA on late leaks and performance and meet these timelines more than 98% of the time for Eversource and 99.4% of the time for CNG and SCG.

It is worth noting that the LDCs report to PURA not only on the maintenance requirements, but on many other maintenance requirements that ensure the systems remain safe and reliable. PURA schedules comprehensive O&M audits and reviews all pertinent data. It schedules Distribution Integrity Management Plan (“DIMP”), Control Room Management (“CRM”), Liquified Natural Gas (“LNG”), Drug and Alcohol policy adherence, and Public Awareness Plan (“PAP”) audits. LDCs are heavily regulated, and the industry, and Connecticut, has a very safe performance record.

In addition, the LDCs have comprehensive leak management programs in place that meet or exceed federal and state pipeline safety regulations. These programs address both leak response and leak surveys.

**Leak Surveys**

While the LDCs are required to proactively survey their facilities for leaks, Connecticut LCDs’ programs go well above the minimum code requirements. The LDCs survey all mains annually; services are leak surveyed on a three-year cycle; additional surveys are conducted in the winter months (when risks increase due to cold weather) and continue until the risk of frost heave and leaking facilities has subsided; using specialized equipment, LDCs conduct annual Building of Public Assembly Survey pursuant to which they walk these services looking for leaks and abnormal operating conditions all the way to the outlet of the meter; and Connecticut Natural Gas has a special pressure CI survey performed in the cold months, in addition to the winter patrol.

**Leak Classification**

Leaks detected on the systems are classified based on the potential hazard the leak represents. There are three classifications of leaks as outlined by state and federal agencies – Grade 1, Grade 2, and Grade 3.

- **Grade 1 leaks** represent an existing or probable hazard to persons or property and require immediate repair or continuous action until the condition is no longer hazardous.
- **Grade 2 leaks** are recognized as non-hazardous to persons or property at the time of detection, but justify scheduling repair based on probable future hazard. Grade 2 leaks are repaired or eliminated within twelve months from the date they are detected and are reevaluated once every 6 months until the leak is eliminated.
- **Grade 3 leaks** are recognized as non-hazardous at the time of detection and can be reasonably expected to remain non-hazardous. Grade 3 leaks are reevaluated every 12 months to ensure they remain non-hazardous until the leak is eliminated. Additionally, the LDCs have worked with state regulators to develop a program to repair Grade 3 leaks on “state of the art” facilities, i.e. newer infrastructure that would not be included in the replacement program.

The scheduling of leak repairs following these guidelines allows appropriate allocation of resources in order to remediate those leaks that pose the greatest immediate or potential hazard to the public. Requiring all leaks to be repaired within 48 hours of discovery goes against this well-established system, and will divert resources from higher priority or emergency calls to address potentially non-hazardous leaks.
Pipeline Replacement

The LDCs believe that the most effective way to eliminate and reduce gas leaks, particularly those that are non-hazardous in nature, is through a pipe replacement program. The Connecticut companies have accelerated pipe replacement programs where, based on risk, the worst performing facilities get replaced first. This approach is more effective and more economical than repairing non-hazardous Grade 3 leaks for several reasons:

- The process of locating a leak for repair relies on the leak providing a sufficient leak rate to accurately pinpoint the leak for excavation. Grade 3 leaks, which typically only have small amounts of gas escaping from the pipe, can be difficult to locate for repair. This could result in a lengthy time to locate and repair non-hazardous leaks, which creates a disruption to the community, traffic, and the roadway.
- Repairing a Grade 3 leak eliminates only one leak and in fact, the act of excavating a pipeline and repairing a leak may disturb the supporting soil or the pipeline resulting in additional leaks.
- Repairing Grade 3 leaks does not solve the root cause of the problem. The aging, leak prone pipe remains in the ground and continues to degrade over time and additional leaks will occur.

Under the current programs, Eversource will replace all such facilities in fifteen years and CNG will replace all such facilities in less than twenty years. SCG currently does not have a mandated replacement plan in place; however, it performs replacements on annual basis.

The LDCs are required to evaluate all threats and evaluate their imposed risks according to the federal DIMP regulation. These programs identify and prioritize the replacement of those areas of leak prone facilities according to risk. By following the DIMP plan, the LDCs are able to efficiently and cost effectively replace mains and services before they become a leak source. This results in prudent cost management of rate payer dollars.

For these reasons, as well as other factors, pipe replacement is the most effective way to eliminate Grade 3 leaks and reduce the likelihood of all Grades of leaks from occurring in the future.