

## **Proposed GSEP Procedure Improvements Resulting from Analysis of GREC Filing**

The Newton Gas Pipes non-governmental volunteer team submits these comments pursuant to the Notice Of Filing And Request For Comments filed in this docket on May 21, 2025.

The petition of National Grid in this docket for approval of gas rate increases necessitated by unnecessary and costly investments in new gas infrastructure, even in the face of DPU orders and legislative mandates to the contrary, highlights the need for the DPU to implement changes in its GSEP procedures. Of the more than \$530 million charged to GSEP in 2024, less than one million was for repair of Grade 3SEI leaks, despite the availability of lower-cost leak repair options and non-pipe alternatives. In short, much of the rate increases that ratepayers are being asked to bear could have been avoided if the right process had been in place.

As a result, we recommend:

- That the DPU implement a process that emphasizes inexpensive leak repair while prioritizing NPA installations, to reduce ratepayer costs for pipe replacement; and
- That the DPU order National Grid on request to provide full scope descriptions of each GSEP project to municipal officials six months before stating that NPA analyses are complete.

### **Introduction, Observations and Recommendations**

The Newton Gas Pipes non-governmental volunteer team compiles publicly available data about the gas distribution system operated by National Grid. We have compiled public records of Gas System Enhancement Program (GSEP) plans, end-of-year accounting reports (GREC), end-of-year Service Quality reports (SQARs), and quarterly gas leak reports filed with the Mass. Department of Public Utilities (DPU), in addition to Newton-specific data from street surveys and Newton public records.

This Comment presents an analysis of the effectiveness of the GSEP program as presented in National Grid's filing for 25-GREC-03.

#### Summary Observations

- \$533.8 million was charged to GSEP in 2024.
- Only \$850,000 was charged to GSEP for repairing non-hazardous, large emitting (grade 3SEI) leaks without replacing gas pipes.
- Almost all of the eliminated leak extent was treated by lower-cost leak repair and not by expensive pipe replacement.
- \$80.2 million of GSEP funds was spent on pipe replacement that had not appeared in GSEP plans and may never be necessary, but was reprioritized in response to local DPW work
- Present GSEP plan filing procedures prevent full Non-Pipeline Alternatives (NPA) analysis

Accordingly, we request the DPU implement the two recommendations above to improve GSEP.

#### **GREC filing shows that pipe replacement dominated GSEP costs**

Table 1 below summarizes the costs in the GREC filing. In addition to leak repair and pipe main replacement, GSEP also allows costs to replace “service” pipes to individual buildings.

**Table 1 NGrid 2024 GSEP costs**

GSEP costs for repairing large leaks	\$849,756	0.2%
GSEP costs for pipe replacements	\$461,221,751	86.4%
GSEP CISBOT	\$11,809,687	2.2%
GSEP Pipe lining	\$9,932,543	1.9%
GSEP costs for in-service projects <sup>1</sup>	\$49,794,441	9.3%
GSEP costs for service replacements <sup>2</sup>	\$175,004	<0.1%
Total	\$533,783,183	100%

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<sup>1</sup> These repairs were required on pipes that had already been replaced

<sup>2</sup> Service replacements connect the main in the street to the customer’s building.

Analysis of 2024 pipe replacement costs

We separated the pipe replacement costs reported in the 2024 GREC into the following five categories of projects, displayed in Table 2.

- A. Projects that were anticipated in the GSEP plans for 2024.
- B. Projects that appeared in any other year's GSEP plans or look-aheads.<sup>3</sup>
- C. Projects that did not appear in GSEP plans and were attributed to "encroachment."
- D. Projects that were not in GSEP plans, had no prioritization number, and were accomplished in accordance with local DPW coordination.
- E. Projects that did not appear in GSEP plans and were not included in C. or D.

**Table 2: Analysis of 2024 GSEP pipe replacement costs**

Category	Number of projects	GSEP cost
A.	95	\$ 138,472,217
B.	205	\$206,548,019
C.	25	\$8,463,633
D.	116	\$80,184,968
E.	40	\$27,552,913
Total	481	\$ 461,221,751

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<sup>3</sup> National Grid GSEP plans include 4-year advance plans in addition to the current year plan. We term these 4-year plans "look-aheads".

**Table 3 Consolidated analysis of 2024 GSEP pipe replacement costs**

	GSEP cost	Pct.
All projects in a GSEP plan or look-ahead (A plus B)	\$345,020,236	75%
Projects that were not in GSEP plans but addressed priority conditions or encroachment from other utilities, or which published a prioritization number (C plus E)	\$36,016,546	8%
Projects without GSEP prioritization that were completed in coordination with municipal Public Works. (D)	\$80,184,968	17%
Total	\$461,221,751	100%

National Grid responds to local Public Works Department road maintenance plans, and alters its priorities accordingly. As a result GSEP costs increased by \$80 million to replace pipe that had not been previously identified in a GSEP plan. This made sense before Non-Pipeline Alternatives (NPAs) were incorporated into GSEP.

### **In 2024, gas leaks were primarily eliminated through simple leak repair**

Table 4 aggregates data by how leaks were eliminated, according to National Grid in its Quarterly Leak Reports.

**Table 4 Aggregation of how leaks were eliminated in 2024**

How leaks were eliminated	Count (All grades)	Count (Grade 3)	Leak extent sq. ft. (Grade 3)	% leak extent
Simple repair	5,244	758	889,904	62%
Pipe replacement	281	227	140,808	10%
Eliminated by leak repair of other leaks or after being upgraded	384	169	185,353	13%
Eliminated by circumstances other than leak repair or pipe replacement	1,352	1,025	219,224	15%
Total	7,261	2,179	1,435,289	100%

Note that gas leak repair is much more effective for eliminating gas leaks than replacing leak-prone pipes.

This GREC filing reported an expense of \$908,224 over the year to repair 145 G3SEI leaks<sup>4</sup>.

### **Incomplete GSEP plan filings inhibit NPA examinations**

In the future, successful Non-Pipeline Alternatives (NPA) analyses will depend on investigation of the acceptability of the NPA to building owners on the affected streets. Municipalities and neighborhoods need advance notice of proposed GSEP pipe replacement work to investigate acceptability.

Unfortunately, current National Grid GSEP filing procedures prevent such advance notice, because they frequently do not list specific street segments. Specific street segments are fully documented only in the GREC filing, after the work is complete.<sup>5</sup>

For example, the project with Work Order #1528016<sup>6</sup> is titled “312-374 Weston Rd” and in other places “339-374 Weston Rd” in Wellesley. It consisted of 835 ft in Weston Rd plus a total of another 1,700 ft in Beechwood Rd, Beechwood Ter, and Shirley Rd. Although National Grid listed a project titled “312-374 Weston Rd” in previous GSEP filings, the work in the other streets was not revealed to the DPU until this filing in May 2025, long after the work was completed. (A preliminary review of this GREC filing indicates there are many other similar cases<sup>7</sup>.)

The Town had no opportunity to even consider an NPA in Beechwood Rd, Beechwood Ter, and Shirley Rd. Because the DPU is directing National Grid to make robust NPA analyses in future GSEP projects, it will be essential to notify municipal authorities of the full scope of work long before seeking DPU approval for pipe replacement. NPA analyses should not be considered complete without notice given long in advance to the municipality.

Such full street descriptions, provided in advance, would not only facilitate better NPA analyses but would also assist municipalities in their coordination with gas company street work.

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<sup>4</sup> Dollar amount does not include net credit carried over from previous years.

<sup>5</sup> This GREC filing provides “long description” design engineering notes for each project, which can be found in the “Transaction Detail” on the “Delegation of Authority (DoA) Approval Form”, which can be found in the detailed Project Descriptions in Exhibit NG-GPP-9.

<sup>6</sup> The Approval Form for WO 1528016 can be found in [Exhibit NG-GPP-9 Part4.pdf](#) at p. 225

<sup>7</sup> See for example Arlington: “62-179 Franklin St,” WO#1429163, Dorchester: “4-216 Almont St , 31-67 Savannah Av,” WO#1192484, and Chelsea: “125-150 Congress Av,” WO#1496227.

## Conclusion

The rate increases proposed by National Grid in this proceeding could have been substantially reduced had the DPU implemented a GSEP process that gives municipalities sufficient time to analyze the pipe segments National Grid proposes to replace in its GSEP filing, in order to recommend repair or non-pipe alternatives. The Newton Gas Pipes Team urges the DPU to implement such procedures in future GSEP proceedings.

Respectfully Submitted,



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