



Northeast Builders & Remodelers Association of MA  
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October 26, 2015

**VIA REGULAR MAIL**

Honorable Karyn Polito  
Lieutenant Governor of the Commonwealth of Massachusetts  
State House, Room 360  
Boston, Massachusetts 02133

RE: Northeast Builders and Remodelers Association of Massachusetts  
Meeting at Tewksbury Country Club, Thursday, October 22, 2015

Dear Lt. Governor Polito:

On behalf of the Northeast Builders and Remodelers Association of Massachusetts, Inc. and the Homebuilders and Remodelers Association of Massachusetts, Inc., I want to thank you for taking the time to meet with us last week. It was exciting for our members to learn about your administration's new initiatives, including those efforts aimed at eliminating unnecessary regulations and increasing housing production. We hope the input we have provided will lead to both the removal of historic barriers to housing production, and provide incentives for municipal participation in addressing the commonwealth's housing need.

To this end, the following is a summary of the major matters we discussed, with the hope that we can work with your administration toward our common goals. These issues include: (a) Title 5 regulatory reform; (b) Natural gas service impediments to new construction; (c) the Starter Home Initiative; and (d) workforce development to address construction industry labor shortages.

**(a) Title 5 Regulatory Reform**

**Issue:**

- Housing production is being hampered, particularly middle class workforce affordable housing, by septic system regulations in areas without public sewers which limit the ability to build single family and multifamily housing at greater densities near suburban city and town centers and other areas where housing should be appropriately sited.

- The result is that current MassDEP Title 5 regulations and local board of health regulations have been used as land use controls which result in the need to gobble up more land than is necessary to expand housing production.

**Problem:**

- Massachusetts has two permitting programs for wastewater treatment in areas not served by public sewers: the MassDEP Title 5 regulations administered mainly by local boards of health under MassDEP oversight; and the MassDEP Groundwater Discharge Permitting Program administered by MassDEP.
- MassDEP septic system regulations under Title 5 limit daily design flow to 10,000 gallons per day (gdp), which means that a housing developer can produce only approximately thirty (30) 3-bedroom units, or forty-five (45) 2-bedroom units, on a single septic system before reaching the 10,000 gallon per day limit.
- Above 10,000 gpd, a developer must secure a MassDEP Groundwater Discharge Permit and build a wastewater treatment plant under a separate set of state regulations.
- The problem is that it costs approximately \$1.2 million on average to permit and build a package wastewater treatment plant, and costs roughly \$80,000 in annual operation and maintenance expense to operate that plant under a MassDEP Groundwater Discharge Permit. These capital installation costs are 3 to 5 times greater than Title 5, with annual operational costs up to 100 times greater.
- To economically support the cost to build and operate such a plant, a developer would need a project density of at least 120 residential units or more (depending on the local market) to justify the cost. The net affect is a density that is not welcomed by many municipalities nor necessarily sought by the developer for a variety of reasons, but mandated solely due to the cost of wastewater treatment.
- As a result, a regulatory gap exists that can be addressed with a relatively modest modification to Title 5 regulations.



## **Solution**

- Our proposal is simply a regulatory change within Title 5 to create a new category of Large Reporting Systems for daily flows between 7,500 to 30,000 gallons per day, using alternative treatment technologies and requiring monitoring, reporting, financial assurances and inspections, similar to those of a Groundwater Discharge Permit, to ensure that environmental standards are preserved.
- Municipal and state oversight of such Large Reporting Systems could be limited by modeling oversight after existing programs that utilize private, on-site professionals to highlight concerns noted in the reporting and to resolve them, similar to the Groundwater Discharge Permit program and also the G.L. c. 21E program that utilizes licensed site professionals. Municipalities and the MassDEP could levy annual fees to help defray the cost of regulatory oversight.
- Attached hereto as **Exhibit A** is both a background paper as well as a proposed regulatory amendment to implement this program.

## **(b) Facilitating New Housing Construction -- Natural Gas Delivery**

### **Issue:**

- The Commonwealth has been impacted by the lack of natural gas supply in many ways, including pricing, service delivery, main extensions to new subdivisions and individual hookups to new homes which have, in turn, hindered the ability of builders to both increase housing production and reduce costs.
- Temporary suspension of natural gas hookups in some areas serviced by National Grid, Columbia Gas and Berkshire Gas, and total moratoriums in other areas, have significantly interrupted housing production.
- HBRAMA has been informed by at least one major gas utility that new construction main installation and hookups are not a priority, but rather, more profitable "oil to natural gas" conversions are a priority as they are more revenue positive for the provider.
- Increased energy code requirements make it nearly impossible for a residential developer to use home heating oil as an alternative to natural gas and still meet those energy code standards without costly upgrades, resulting in the more costly use of liquid petroleum gas stored in tanks that are either aboveground or underground.

### **Problem:**

- Communications with natural gas service providers over the past several years have indicated the following.
- Significant delays in natural gas main installation and line hookups for new homes will continue to delay service for new housing, with new service application deadlines for developers occurring in July for new service construction in December of the calendar year. In addition, some areas of Cape Cod, as well as in Western Massachusetts, have a complete moratorium on new gas hookups.
- Requests for certain natural gas providers to allow for main and service installation on behalf of private residential developers within developments by construction contractors who are fully qualified (Operator Qualified) by the Northeast Gas Association (NGA) have been rebuffed without a solid rationale, resulting in the inability of private residential developers to expedite gas main and line installation through their private residential development.
- Requests for private residential developers to enable the installation of "carrier" pipe in developments into which natural gas provider crews would later install (sleeve) gas pipe, would allow developers to advance civil engineering and roadwork construction without a time dependency on natural gas provider pipe installation, have been similarly rebuffed.
- Requests for certain natural gas providers to increase labor resource capacity during the winter months of the year (non-peak season), conditioned on developer assistance with trenching when town or state trench excavation permits are not required (i.e. work on private land), have not appeared to have occurred. Some providers have indicated they have added more labor resources, but without any perceived service change by our members.
- Natural gas service has continued to worsen over the past several years, during which the association has sought improvements by natural gas providers.

### **Solution:**

- Allow for main and service installation on behalf of private residential developers within developments by NGA-qualified construction contractors, thereby expediting the installation and operation of natural gas service.



- Allow developers to expedite civil engineering and roadwork construction through the installation of “carrier” pipe in developments into which nature gas provider crews would later install (sleeve) gas pipe.
- Require natural gas providers to dedicate more resources to training the plumbing trade in order to alleviate labor shortages.

**How This Change Promotes Housing Production:**

- Enabling the residential home developer to use any or all the proposals above would not only expedite housing production, but also would reduce the cost of new housing.
- Correspondence documenting the association’s efforts in attached as **Exhibit B**.

**(c) Promoting Market-Rate Affordable Housing -- Starter Home Initiative**

**Issue:**

- The middle class, particularly young families are increasingly being squeezed out of the housing market in Massachusetts.
- As recently mentioned by Undersecretary Kornegay before the Joint Committee on Housing, “when middle-class and working families get caught between stagnant wages on one side, and soaring home prices and rents on the other, the state’s economy suffers, skyrocketing housing prices threaten our competitive edge with other states competing for talented workforce, our thirty-somethings as well as other making up our middle class.”
- While the administration’s efforts to empower municipalities by sharing best practices and data through the Community Compact, and to incentivize smart growth production through programs such as Chapter 40R, history has informed us, particularly with the spotty record of Chapter 40R, that municipal incentives are not enough to encourage housing production.

**Problem:**

- There has not been an effective program to promote so-called workforce market-rate affordable housing (meaning, housing for families making between 80% AMI and 120% AMI).
- For a family of 3 in the Boston-Cambridge-Quincy area, that’s a range between \$70,900 (80% of AMI) and \$ 106,400 (120% AMI) based on 2015

- HUD Income Limits in the Boston area, and incomes are even less in other areas like Central and Western Massachusetts based on HUD Income Limits.
- Not everyone wants to live in a 400 sq. apartment in the Seaport District, especially thirty-somethings looking to start a family, employers outside Boston which are trying to attract them, and others who do not want to make the lengthy commute into Boston from Haverhill, Methuen, Southborough, Hopkinton, Bridgewater and beyond.
  - Surveys continue to show that most young families still prefer a single-family home. Particularly an energy efficient one on a reasonably sized lot and located in a community with a good school system.
  - There has to be a way to both incentivize municipalities to both allow for greater housing density in our suburbs to bring housing costs down, and attract employers and the employees they bring with them.
  - Cities and towns should establish zoning districts that permit the construction of a modest number of small, single-family homes that are affordable to middle class families so they can either remain in the town where they grew up, or relocate to an area with employment opportunities.
  - Massachusetts needs a policy to facilitate the production of these so-called "Starter Homes."

**Solution:**

- The Home Builders and Remodelers Association of Massachusetts has been developing a concept for legislation that would provide communities with the opportunity to establish "Starter Home" zoning districts. The failure of a city or town to adopt an "Starter Home" zoning district after a reasonable period of time after the law's enactment would trigger a limited right of builders to produce such homes notwithstanding local zoning.
- The Starter Home concept establishes modest production goals for cities and towns, while providing for appropriate categorical exemptions for those communities that either already have a reasonable stock of affordable single-family homes, do not have the land to accommodate new single-family homes or have a significant seasonal housing population.



- How is as follows:

1. A "Starter Home" would be a new detached single-family home of not less than three bedrooms and not exceeding 1,850 square feet in heated living area.
2. The *allowed* density for the development of "Starter Homes" would be up to six to eight units per buildable acre, but no project could be built at less than four units to an acre.
3. Unless provided otherwise by a community's "Starter Home" zoning district ordinance or by-law, or waived by a planning board, the development of "Starter Homes" would require a minimum single parcel of not less than three acres of land.
4. The approval process for the development of "Starter Homes" would begin with the submission of a "concept plan" to the planning board and all "Starter Home" developments would be subject to "site plan review," even in those instances where the development would not require planning board approval (i.e., ANR or subdivision).
5. A planning board would make such modifications or grant such waivers of its subdivision regulations as necessary to facilitate the production of "Starter Homes." Perhaps falling back to minimum state code standards such as a 20-foot minimum paved width or roadway, no more than a 10% roadway grade, etc.
6. "Starter Homes" would be exempt from any local board of health or conservation commission regulation that exceeds the provisions of State Title 5 or the State Wetlands Regulations, as well as any local growth limit on the issuance of building permits for the construction of single-family homes.
7. The development of "Starter Homes," up to a community's statutory goal would be allowed as a matter or right in any zoning district that currently allows for the development of single-family homes if a community fails to adopt a "Starter Home" zoning district and in such instances, a planning board would have the authority to approve "Starter Homes" at the density provided for in the act, notwithstanding any local zoning that may provide for a lesser density for single-family homes.
8. Communities could require that 30% of the units in a "Starter Home" development sell at a market price that is affordable to individuals with a household income not exceeding 150% of the area median income. However, if

that threshold is not met, then 20% of the units must be sold at a price that is affordable to individuals with a household income not exceeding 130% of AMI.

- The Starter Home Program can also be used as a condition to the awarding of grants from the state, such as the MassWorks Program or Local Aid. For example, since the main thrust of the MassWorks Program is both job creation and housing creation, a grant award under the MassWorks Program could condition the award upon participation in the Starter Home Program which would both attract an employers seeking workforce housing for its workforce, and increase middle class housing production for the community.
- Financial incentives can be established both for the municipality as well as for the purchasing homeowner by incorporating deed rider provisions providing that upon the re-sale of a Starter Home, both the current Starter Home Owner seeking to sell, as well as the municipality, could share in the net appreciation of the dwelling, with the municipal share to be re-invested locally to either create more housing, offset any perceived housing infrastructure impacts, or simply be allocated to the municipality's general fund.

#### **How This Change Promotes Housing Production:**

- Developing a Starter Home Program creates incentives for housing production by allowing Starter Home owner and the municipality to share in the net revenue from a home resale, creating an incentive for both parties to participate in the Starter Home Program.
- The Program also provides a municipality with ample time to chart out its own destiny by enabling the municipality to plan and zone for Starter Home creation.
- The conditioning of a MassWorks Grant Award also incentivizes a prospective company seeking to relocate to the municipality, knowing that its employees will have access to affordable workforce housing through the Starter Home Program.



#### **(d) Addressing Labor Shortages in the Construction Industry**

##### **Issue and Problem**

- There is a well-documented construction and related trades labor shortage in the Commonwealth as a part of a national trend.
- As you noted, while the vocational schools are important sources of labor in the trades, many of their students are continuing on to college without an adequate number of students transitioning into the building construction trades.
- In some circumstances, there is now up to an 18-month delay before framing crews can develop certain multifamily housing structures.
- The current school system is not producing an adequate number of students moving into the construction trades.

##### **Solution**

- Expand student participation in vocational school education in order to eliminate waiting lists to enter these schools.
- Develop expanded construction industry programs at both community colleges and four-year state colleges.
- Encourage utilities such as the natural gas companies, to jointly develop training programs designed to address current and future trade shortages such as the training of plumbing students and recent graduates to become National Gas Association (NGA) certified which, in turn, will expedite natural gas installations.

##### **How This Promotes Housing Production**

- Expanding the construction and related trades labor pool will result in stabilizing the construction industry labor force, thereby lessening delays due to labor shortages, increasing housing production which, in turn will lead to lower workforce housing costs.
- Targeting the expansion of selected building trades with significant shortages will lead to expedited service delivery.

When you and I had the chance to talk this summer, you indicated you were willing to have a small number of regional discussions that would enable you to both hear the perspectives from builders in different parts of the commonwealth, but also allow for an iterative process that would ultimately put the best ideas on the table. I am so pleased that your suggestion had come to fruition and we look forward to scheduling additional regional discussions with you and our members.

Thank you again for meeting with representatives of our association. We look forward to working with you and your administration in the coming months to further housing production, job creation, and economic opportunity for all citizens of the commonwealth.

Sincerely,



Gary Campbell, President

GC/

cc: Matthew Beaton, Secretary, Energy and Environmental Affairs  
Carolyn Kirk, Deputy Secretary, Housing and Economic Development  
Chrystal Kornegay, Undersecretary, DHCD  
✓ Martin Suuberg, Commissioner, DEP  
Elizabeth Kovach, President, HBRAMA  
John Smolak, Smolak & Vaughan LLP  
Benjamin Fierro, Lynch & Fierro LLP

Enclosures



**EXHIBIT A**

**Title 5 Position Paper and Proposed Regulatory Amendments**

**Background in support of Home Builders and Remodelers of Massachusetts proposed amendment to Title 5:**

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Regulatory reform and permit streamlining is a key focus of the new Baker Administration. The Home Builders and Remodelers of Massachusetts are proposing a new septic system regulation under Title 5 (310 CMR 15.000) to the Massachusetts Department of Environmental Protection (MA DEP) to address a vital need for expanding much needed housing production in unsewered areas

For over three decades, development in the eastern Massachusetts consumed a vast amount of land due to many factors, including large-lot zoning and excessive but not necessarily protective, local Board of Health regulations used as land use tools. As a result, what remains for development are those marginal parcels which leave significant challenges for most of the remaining developable real estate. Future residential development will have to be built on these remnants. And while the federal and state governments pumped hundreds of millions of dollars into sewer projects throughout this region over the past thirty years, such funding has dried up, leaving not only little in the way of financial resources and remaining land to develop in these sewerred areas, but also leaving no federal or state funds to assist in the development of unsewered areas in Massachusetts.

It is not hard to realize that much of the future growth of eastern Massachusetts will be concentrated in non-sewered areas. However, although perhaps unintentionally, a major regulatory obstacle presently inhibits clustered and dense residential development in these unsewerred areas. This obstacle is the limit of 10,000 gallons of daily design flow per project for a conventional Title 5 septic system. Currently once that arbitrary 10,000-gallon threshold is exceeded Massachusetts Title 5 regulations no longer apply, and the State Groundwater Discharge Permit Regulations kick in, requiring a sewage treatment plant be permitted at significant expense.

The permitting, design, and capital cost differential factor between a conventional Title 5 septic system and a private sewage treatment plant is staggering, on the order of 8 to 20 times greater, and the operational factor is over 100 times greater. As a result, since the upper threshold limit for a development under Title 5 equates to only 90 bedrooms, or 30 units at 3 bedrooms per unit (45 units at 2 BR/unit), it is not economically feasible to develop above this limit. This is so because exceeding this density requires the transition to the State Groundwater Discharge Permit Program administered by MassDEP, resulting in up-front expenditure of well over a \$1 million for a treatment plant and almost \$100,000 per year in maintenance costs – a cost which a 30-35 unit residential project cannot absorb.

Stated more succinctly, the problem with Title 5 is that projects over 30 units in non-sewered areas are economically infeasible until the unit density increases to approximately 120-180 units or more (depending on the market), and this density requirement is required solely to justify the cost for the sewer without regard to zoning, traffic, school impact, aesthetics, architecture, crowding, etc.

The HBRAM Wetlands and Waterways Subcommittee recently presented this potential regulatory change to both the Secretary of Energy and Environmental Affairs, Matthew Beaton and the Commissioner of the MA DEP, Martin Suuberg.



Our proposal is to add a new section(s) within the existing Title 5 regulations (perhaps 310 CMR15.294) entitled "Large Reporting Facilities" for systems ranging between 7,500 to 30,000 gallons per day (note that the proposed 7500 GPD on is a reduction from the present limit of 10,000 GPD intending to capture "larger" septic systems into this program). Any Title 5 system falling within the definition of Large Reporting Facilities would be required to utilize Innovative and Alternative Technologies for treatment and disposal of the sewer effluent and to incorporate the Nitrogen Sensitive Zone requirements for land area control. Further, and most importantly, this proposed regulation would require the imposition of new and less costly MassDEP standardized conditions including: i) effluent limits, ii) monitoring and reporting controls, iii) restrictions, and iv) financial assurance mechanisms. These types of conditions are already in place as part of the MassDEP groundwater discharge permit program but can be modified for use with the new regulatory change for site specific permitting with site monitoring performed by the local Board of Health. From a State Regulatory perspective, this proposal provides many of the environmental, financial, and recording benefits with little additional costs above and beyond the typical Title 5 system. For the development community and municipalities, this proposed change would remove a key financial barrier for the development of medium to high density developments in un-sewered areas providing more dense projects using less land area with more opportunities for creative and sustainable developments.

Ultimately, this one regulatory change could leave a positive and lasting impression on the future of developing residential projects in un-sewered areas of Massachusetts by maintaining environmental protections but allowing for the more efficient development of larger residential projects in order to meet the housing production needs of the Commonwealth.



**Title 5 (310 CMR 15.00):**

- A. **PROBLEM:** Any Project with over 45, 2-bedroom units or 30, 3-bedroom units requires a private Waste Water Treatment Plant with the issuance of a Groundwater Discharge Permit (314 CMR 5.00)
- Flows under 10,000 GPD are in Title 5: Currently: NO testing, NO monitoring, NO reporting, NO inspections -- 'just walk away'
  - Flows over 10,000 GPD – OVER \$1 Million in infrastructure cost + \$80k / year in maintenance costs.

There needs to be a middle ground without which no projects between 30 to 150 units (90 – 300 BR's) will be developed in non- sewerred areas as evidenced in the development of the last 20+ years. Housing production needs to be built on the land, however the available land is more and more likely found only in non-sewerred areas.

**SOLUTION:** Create NEW SECTION within Title 5: Large Reporting Systems (i.e. 310 CMR 15.294):

For flows between 7,500 GPD+ to 30,000 GPD use already established Alternative Innovative Technologies for secondary treatment and the regulated land equivalency requirement features of Nitrogen Sensitive Zones for land area controls. This regulation would require new Mass DEP determined standardized programs including: i) effluent limits, ii) monitoring and reporting controls, iii) restrictions, and iv) financial assurance mechanisms.

**SEE SEPARATE SUBMITTAL BY HBRAM: BACKGROUND AND PROPOSED REGULATORY CHANGE**

- B. **PROBLEM:** Daily Flow Rates are incomplete and outdated for current uses and plumbing devices
- SOLUTION:** Re-constitute Committee formed about 5 years ago to complete their work and issue revisions to 310 CMR 15.416 including multi family complexes and even single family homes.
- C. **PROBLEM:** Underutilization of Alternative Technologies for new construction which provide for enhanced effluent treatment. There is a significant fiscal and environmental cost to construct mounded or filled systems.
- SOLUTION:** Allow reduction in groundwater offsets for new construction similar to "repairs" in Massachusetts and simply a groundwater reduction in most other states when using approved Alternative Technologies which will provide for environmental benefits with enhanced effluent secondary treatment.
- D. **PROBLEM:** Individual Town regulations stricter than Title 5 without scientific basis adding costs and other negative impacts.
- SOLUTION:** Uniform Code unless MassDEP approves local regulation based on submitted science based data.

**Wetlands (310 CMR 10.00):**

- A. **PROBLEM:** Local Upland Buffer Prohibitions
- SOLUTION:** Create standards and protocol for local regulations.
- B. **PROBLEM:** Zone A prohibition of BMP's and discharges to all BMP's
- SOLUTION:** Correct inconsistency in regulation (this may be considered minor {housekeeping})
- C. **PROBLEM:** Coordination with EPA and Army Corps
- SOLUTION:** Assist in amending Army Corps General Permit and EPA MS4 to be in line with state regulations and mitigation strategies. Entertain using Army Corp. off-site mitigation programs and wetland banking. Major issues are vernal pools, water quality volume of 1" throughout, and mitigation programs.
- D. **PROBLEM:** Local Regulations
- SOLUTION:** Create standards and protocol for creating local regulations. MassDEP to review science based rationale and rule on whether it could be a local regulation, policy, or not.



## PROPOSED AMENDMENT TO TITLE 5 - 301 CMR 15.000

By : Home Builders and Remodelers of Massachusetts (HBRAM)

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ADD within 310 CMR 15.002 (Definitions)

Large Reporting Facilities - facilities with total design flows between 7500 and 30,000 gallons per day.

ADD:

310 CMR 15.294 Large Reporting Facilities<sup>1</sup>

- 1) The Department may approve the construction, upgrade, or expansion of an on-site subsurface sewage disposal system by the issuance of an individual permit for Large Reporting Facilities. Each such permit shall only be issued by the Department under the following conditions:
  - a) Large Reporting Systems shall use approved enhanced secondary treatment pursuant to 310 CMR 15.280 for General and Provisional use. Limitations defining enhanced secondary treatment may be expressed in terms of concentration as well as mass;
  - b) Each permit shall incorporate special conditions which shall establish effluent limitations, recordkeeping and reporting requirements, and, where applicable, schedules of compliance and other conditions which the Department may determine;
  - c) Each permit shall contain monitoring requirements to assure compliance with permit limitations and conditions, including the installation of monitoring wells to ensure the protection of the ground water;
  - d) Each permit shall be effective for a fixed term not to exceed five years. The Department may issue any permit for a lesser duration;
  - e) Each permit shall incorporate the requirements for the operation, maintenance and staffing of the facility in accordance with the General or Provisional Conditions of the specific Alternative Technology;
  - f) Each permit shall include the obligation of all stakeholders to share in the financial and operational responsibilities for the Large Reporting Facilities and shall include, without limitation, the obligation to establish and maintain a financial assurance mechanism that provides for an immediate repair and replacement account and a capital reserve account. The permittee shall meet this obligation by completing the appropriate Department-approved form documents to establish the financial assurance mechanisms and shall file with the Department and maintain the current Department-approved form documents constituting or evidencing compliance with this obligation. Conditions of the financial assurance mechanism shall be outlined in a General Permit for Large Reporting Facilities to be issued by the Department (*see 314 CMR 5.15(5)(a) and (b) as a template*).

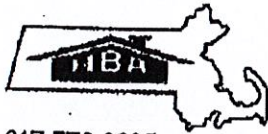
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<sup>1</sup> Also need to revise 310 CMR 15.004, 15.006, and other sections to amend decrease/increase the daily flow limits of Title 5.

**EXHIBIT B**

**Communications With National Grid**





617-773-3305  
admin@hbama.com  
www.hbama.com

**HOME BUILDERS ASSOCIATION  
OF MASSACHUSETTS, INC.**

240 Cadwell Drive  
Springfield, MA 01104



WWW.NAHB.ORG

March 29, 2013

Joseph Newman  
Director of Government Affairs, Massachusetts  
National Grid  
40 Court Street  
Boston, Massachusetts 02108

Dear Mr. Newman:

On behalf of the members of the Home Builders Association of Massachusetts, I wish to bring to your attention substantial and ongoing concerns our members have with the installation of both gas and electric service by National Grid to their residential developments.

The Home Builders Association of Massachusetts (HBAM) is a non-profit trade association consisting of over 2,000 single and multi-family builders, developers, remodelers, suppliers and other allied professionals to the residential construction industry. Together with its five local chapters, the HBAM represents the interests of the residential construction industry through its participation in government and regulatory affairs in order to meet the housing needs of the commonwealth.

The delays, costs, business practices and poor customer service of National Grid are substantially impacting home builders and their ability to produce desperately needed new units of housing. Moreover, the actions—and often, inaction—of National Grid both unjustifiably strain the economics of our members, most of whom are small businesspersons, but needlessly drive up the cost of new homes for thousands of Massachusetts residents.

Although this correspondence will focus particularly on issues that have confronted the members of the North East Builders Association (the communities of Acton, Amesbury, Andover, Billerica, Boxford, Carlisle, Chelmsford, Dracut, Dunstable, Georgetown, Groton, Groveland, Haverhill, Lawrence, Littleton, Lowell, Merrimac, Methuen, Newbury, Newburyport, North Andover, Rowley, Salisbury, Tewksbury, Tyngsborough, West Newbury, Westford and Wilmington), our members throughout Massachusetts have had similar experiences. For example, the Home Builders and Remodelers Association of Cape Cod, another local chapter of HBAM, has already conducted meetings with Mr. Paul Nagel and other representatives of National Grid to voice its concerns. These issues can be characterized as follows:

Delays in work commencement

National Grid does not perform its work with any sense of urgency, and sometimes causes costly and unreasonable delays. Such delays are especially unconscionable when National Grid has been given deposit checks and checks for payment, as well as substantial advance notice of municipal deadlines. National Grid employees are routinely reassigned and are often non-responsive. These delays



typically take place when the builder has installed infrastructure and is paying interest on financing. This exacts further monetary hardships on our members beyond those direct fees assessed by National Grid.

**Examples:**

1. Kazanjian Enterprises, 11 Mort Avenue, Lowell. National Grid cashed a check in July 2011 for \$10,000 and was notified of the November 15, 2011 deadline by the city for street opening. National Grid did not meet the deadline and service was not provided until April of the following year.
2. Marc Ginsburg, Long Pond Subdivision in Tewksbury. Mr. Ginsburg contacted National Grid for gas service in November 2009. He did not receive a contract from National Grid until late Spring 2010, at which time payment was made. National Grid did not complete the installation until the end of December 2010. Mr. Ginsburg has sent a 93A complaint letter to National Grid for their unfair and deceptive business practices.
3. Rick Roper, Snakebull Road and Route 2A, Pingry Hill, Ayer. Mr. Roper asked for a pole to be moved in November 2009 and it had not taken place as of June 2011. He then asked for service for Phase 2 of his development in April 2011, but not addressed by June 2011, despite seven homes under agreement and ready to be conveyed.
4. English Commons, Topsfield, MA. National Grid did not commence work to provide electric service at this age-restricted townhome development until approximately 4 to 6 months after the agreement was signed and payment made by the developer.
5. Habitat for Humanity of Greater Lowell, 5 Carter Way, Bedford. This housing development for low and moderate-income families experienced delays of more than 10 days beyond the date promised by National Grid for individual meters. In one instance, they waited six weeks for one service to be installed.

Communication Deficiencies

Our members are frustrated by the fact that contact people at National Grid are constantly changing. There seems to be fewer individuals with requisite engineering and procedural experience who understand the nature of residential construction and development. There appears to be a general lack of responsiveness and urgency on the part of National Grid representatives. It is our perception that there is a lack of communication between internal departments at National Grid. There seems to be no systematic prioritization of work. Our members genuinely believe that they are at the whim of ineffective personnel, fearful that their complaints will result in scheduling consequences and reprisals.

1. Rick Roper, Snakebull Road and Route 2A, Pingry Hill, Ayer. Mr. Roper had to deal with four contacts at National Grid on the gas side and seven on the electrical side to get the service he needed for his development.



2. Habitat for Humanity of Greater Lowell, 5 Carter Way, Bedford. Representatives of Habitat for Humanity had to speak with four different contacts in three departments to get service from National Grid.
3. English Commons, Topsfield. The developer dealt with more than 10 contact people at National Grid to effectuate the installation of electric service.
4. O'Brien Homes, Methuen Rd., Dracut. Builder had to deal with five to six contact people at National Grid to get electric service installed at this subdivision.

#### Unfair, Uncertain, and Inconsistent Charges for Service

In the development business, it is critical that home builders know in advance their costs to determine the viability of their projects. This is particularly the case for larger residential projects where the costs are exponential. Our members are currently not able to obtain a firm estimate of utility costs until after obtaining expensive planning board approval. There is no posted rate sheet and the costs quoted by National Grid sometimes change within the course of a single development.

Further, there appears to be no uniformity on charges from development to development. It is our view that National Grid does not seem interested in extending gas lines, as the quoted prices far exceed the cost of actually doing the work.

1. Paul Huijing, Mountain Road in Wilbraham. Mr. Huijing was given a price of \$12.89 per foot for the installation of electric service on January 20, 2010. The price was confirmed in February 2010. However, on April 8, 2010 he was told that the price went up to \$17.69 per foot, plus a 40% mark-up as it was a "Policy 2 Installation." This information was buried in a 330-page document posted on National Grid's website. National Grid employees contacted by our members do not seem familiar with this on-line document. Because Mr. Huijing had negotiated the sale of the homes in his subdivision based upon the earlier price quote, he was forced to absorb \$6,170 in unanticipated cost for electric service.
2. O'Brien Homes, Methuen Rd., Dracut. National Grid quoted a cost of \$300,000 to put gas service in for 20 homes. This cost was so exorbitant that the builder was forced to install propane bottles so that the homes could be priced affordably. The actual cost for the work could have been accomplished for a third of the quoted cost. National Grid does not appear to be interested in the increased revenue from new homes, and does not appear to factor in future revenues in calculating the offset to installation costs.
3. Marc Ginsburg, Long Pond Subdivision in Tewksbury. Mr. Ginsburg was developing 14 lots and explained to National Grid that there was the potential for another developer to later add 7 more lots. National Grid charged Mr. Ginsburg \$54,000 for the 14 lots, when the possibility of additional lots should have resulted in a reduction in his costs. National Grid also failed to meet a deadline to complete its work prior to the town repaving Pond Street.



As a result, the road had to be cut with the understanding that it be fully repaved, at a cost to the builder of \$17,000.


4. Bella Woods, East Street, Tewksbury. Our member, Arnie Martel, recently received a letter from National Grid regarding the installation of gas service to his development. National Grid, claiming that it was a service upgrade, quoted him the exorbitant price of \$572,000. Moreover, National Grid wants him to pay for an upgrade of pipe on Chandler and Whipple road, which is 3 miles away from his project. Also, the price they are quoting him is for only 71 units, which means there is still another half mile of main and 46 more houses be to serviced in the second half of the project for which he has not been given a price. Mr. Martel has had to hire the consulting firm of Source One to work with National Grid on the gas and electric to get the project designed and approved more quickly.
5. Plunkett Way, Tewksbury. In this instance, Mr. Martel, requested gas service for two homes located 300 feet off the road (Plunkett Way off of 1335 Andover Street). He was quoted a cost of \$32,800 from National Grid. The economics of the project left our member no choice but to use propane bottles to service these homes.

We bring these examples to your attention not only to have National Grid address any outstanding issues with these particular members, but to illustrate the widespread problems home builders and developers continue to encounter with National Grid. Representatives of the HBAM seek to engage with you and other appropriate officials at National Grid in an effort to resolve systemic problems in the installation of gas and electric service to residential developments.

We would welcome the opportunity to meet. In that regard, a meeting with key members of the association and National Grid representatives could be scheduled at the Tewksbury Country Club in the near future.

I look forward to your response.

Respectfully,



Michael McDowell  
President

cc: Everett Chandler, President, North East Builders Association  
Richard M. Bryant, Home Builders and Remodelers Association of Cape Cod  
Honorable Barry R. Finegold  
Benjamin Fierro III



## John Smolak

---

**From:** Mark.Leff@salemfive.com  
**Sent:** Monday, June 03, 2013 10:33 AM  
**To:** brian.schuster@us.ngrid.com  
**Cc:** joseph.newman@nationalgrid.com; david.gendall@us.ngrid.com; bfierro@lynchfiero.com; mpg@tewksburycc.com; rleonard@leonardelectric.com; John Smolak; brian.comforthomes@comcast.net; mkablack@kablacklaw.com; info@northeastbuilders.org; BCampbell@hbrawm.com; barry.finegold@masenate.gov; maryrose.mazzola@masenate.gov  
**Subject:** Follow-Up Memo Regarding Home Builder Meeting With National Grid  
**Attachments:** HBRAM - National Grid Memo.pdf

Dear Brian,

As promised, HBRAM is providing you with a detailed recap of our meeting on May 22, 2013, which I believe we all considered to be a positive first step in improving National Grid's relationship with builders in Massachusetts.

Please review the attached memo, which we hope will form the basis of further discussion. We will wait to hear from you as to when we can meet again to try to resolve these issues by agreeing to specific changes in our working relationship.

We greatly appreciate National Grid's receptiveness to our ideas, and are hopeful that we will make mutually beneficial progress.

Please feel free to contact me to discuss facilitating further discussion.

Thank you.

Sincerely,

Mark

Mark H. Leff  
Senior Vice President  
Salem Five Bank  
210 Essex Street  
Salem, MA 01970  
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June 3, 2013

**MEMORANDUM TO:**

**Brian Schuster  
Director, Customer Order Fulfillment  
National Grid**

**RE:**

**Recap of Issues With Home Builders and Remodelers  
Association of MA**

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The Home Builders and Remodelers Association of Massachusetts (HBRAM) wishes to express its appreciation to National Grid (NG) for the positive exchange of dialogue at our meeting on Wednesday, May 22, 2013. It is our hope that we will work together to achieve a substantive improvement in the working relationship between our members and the utility company—one that will ultimately result in more customers for both parties.

Therefore, as discussed, we would like to follow-up on issues identified at the meeting wherein we discussed specific improvements. They are as follows.

1. **National Grid Pricing Prior to Recording of Approved Plans.** HBRAM members explained that they must undergo an extended permitting process with localities - even on small developments. They are at a disadvantage in pricing the costs of utility installation during their due diligence period in the purchase of parcels, as National Grid will not set prices on a development until plan approval. This creates significant financial uncertainty and project delays once builders finally obtain approvals. *At our meeting, National Grid agreed to determine if builders could obtain non-binding estimates from National Grid for potential developments, which would provide our members with a reasonable cost projection for budgeting purposes for a particular site. Then, upon builders' putting in place preliminary engineering plans, National Grid could provide a more accurate cost estimate to complete the work prior to final plan approval. Should the final plans be changed materially, then National Grid would be able to revise its quote in accordance with the changes. It was further discussed that builders would receive a detailed breakdown explaining the costs, not merely a gross figure for natural gas and electric service.*
2. **Commence Utility Design Process Prior to Subdivision Approval.** HBRAM members stated that it is important to start this process long before subdivision/development



approval. This would reduce or eliminate the lag time between design and construction; and identify off-site factors much earlier in the process, so that the needs of the utility could be recognized and incorporated sooner in the design process. *At our meeting, National Grid agreed to consider whether commencing the design process would be feasible prior to final approval of plans so that there is no lengthy delay in proceeding with the development once final approval is in place.*

3. **Allow Builders to Hire (NG approved) Subcontractors for On-Site Gas Work.** HBRAM members have received very expensive quotes for gas line installation work (sometimes multiple times the actual cost) from National Grid. In addition, the installation time lines are excessive and result in delays in conveying homes. As a result, National Grid has lost customers as builders will opt for propane tanks for individual homes. *At our meeting, National Grid agreed to determine if a change in policy would allow builders to bid the line installation work from a number of National Grid approved subcontractors, and schedule the work subject to a strict inspection regime for completed work by employees of the utility. This is similar to that which is currently allowed for the installation of electrical conduit. The HBRAM would also like to have more detailed discussions regarding the installation of gas-piping within subdivisions, as the cost structure appears exorbitant in many cases and the delays in scheduling work have become problematic.*
4. **Allow Builders to Install Underground Gas and Electric Within Subdivisions and Developments Before Off-site Work is Completed.** HBRAM members stated that this would expedite completion of the construction of developments, thereby saving expensive project carrying costs such as interest and municipal charges. *At our meeting, National Grid agreed to consider this as a new policy.*
5. **Consider Changes To Payment Terms.** HBRAM members stated that lump sum payments for large projects, sometimes in the six figure range, are required prior to work being completed. It is sometimes not only difficult to deliver such large sums at once, but builders are also paying interest on money well before work is complete. Members suggested having a follow-up discussion to determine if, in addition to deposits for materials, work could be paid for as it is performed. Builders recognized National Grid's concerns about payment exposure. *At our meeting, National Grid agreed to consider changes and engage with builders in a dialogue to discuss alternate payment guarantee mechanisms from lenders such as letters of credit.*
6. **Running Gas Service To Foundations Before Structures Are Weather Tight.** HBRAM members stated that, once again, time savings could be realized if they are allowed to bring gas service to dwellings prior to the structures being weather tight. It



was recognized that if a builder misplaces the service given the design of the house, the builder would be responsible for the cost of relocation of the service. *At our meeting, National Grid agreed to consider changing its policy to allow this alternate approach.*

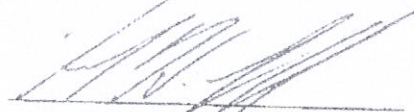
7. **Transparent Pricing.** HBRAM members expressed frustration with the range of utility installation pricing. National Grid officials provided a rate sheet for installation of electrical service, which was helpful. Moreover, National Grid explained that off-site limitations sometimes influences price quotes from one development to another. However, it was noted that while electric service costs are regulated by the tariff, gas charges are not. *At our meeting, builders said they would like more certainty on gas installation costs, and that they be provided with complete cost detail on all National Grid pricing when being quoted the costs for service installation. National Grid representatives agreed to review its pricing policies.*
8. **Scheduling.** In its letter to National Grid dated March 29, 2013, HBRAM expressed significant dissatisfaction on the timelines for performing work. There was some limited discussion about the topic at our meeting. National Grid responded that it has recognized that there were issues in the past and that it is trying to improve service. It also noted that it cannot perform the work until 4-6 weeks after all easements are in hand. National Grid also stated that service was sometimes weather dependent as it has to react to emergencies. That said, National Grid stated that it would prioritize on a case-by-case basis to assist builders. *HBRAM would like to continue this conversation with National Grid in more detail to gain a more complete understanding of National Grid's benchmarks for scheduling different types of service requests.*
9. **Communications.** National Grid explained that it has reduced staff turnover, that its staff hired in 2009 has gained experience, and that it is putting additional resources into the engineering function to improve service. HBRAM members recognized that there has been improving service recently. National Grid explained that two customer fulfillment representatives will be assigned to each development; one for electric and one for gas (if applicable). *HBRAM would like to establish a permanent schedule of meetings with National Grid to monitor ongoing communication and scheduling issues.*

We would like this document to form the basis of a follow-up meeting with National Grid. Substantial progress on these issues would improve the working relationship between home builders and the utility to our mutual benefit. The Home Builders and Remodelers Association of Massachusetts looks forward to hearing from you to schedule our next meeting.



Once again, thank you for the consideration you have shown us on these issues during our initial meeting and we look forward to working with you to resolve them.

The Home Builders and Remodelers  
Association of Massachusetts



By: Mark H. Leff  
Director

C: Honorable Barry R. Finegold  
Everett Chandler, President, NEBA  
Michael McDowell, President, HBRAM  
Joseph Newman, Director of Govt. Affairs, Mass., National Grid

---

**From:** [Mark.Leff@saalemfive.com](mailto:Mark.Leff@saalemfive.com) [<mailto:Mark.Leff@saalemfive.com>]  
**Sent:** Thursday, July 03, 2014 8:38 AM  
**To:** [ACraneCon@charter.net](mailto:ACraneCon@charter.net); John Smolak; [leonard@leonardelectric.com](mailto:leonard@leonardelectric.com); [mpg@tewksburycc.com](mailto:mpg@tewksburycc.com); [mike@duffanybuilders.com](mailto:mike@duffanybuilders.com); [bfiirro@lynchfiirro.com](mailto:bfiirro@lynchfiirro.com); [brian.comforthomes@comcast.net](mailto:brian.comforthomes@comcast.net)  
**Subject:** National Grid Update

To All:

As part of our efforts to engage with National Grid and continue to solve outstanding problems, I have offered each local association the opportunity to have National Grid make a presentation and field questions and problems from association members. Brian Schuster, our primary contact at National Grid and Director of Customer Order Fulfillment, represents National Grid at these meetings. The first meeting was held at Holy Cross College on March 5, 2014 with the Builders and Remodelers Association of Central Massachusetts. We had about 30 attendees mostly concerned about electrical service issues, and it was a productive meeting.

More recently, the North East Builders and Remodelers Association sponsored a meeting at DigSafe in Wilmington on Tuesday June 24<sup>th</sup>. At this meeting, there was considerable discussion about the cost and time frames for completing gas work. (As you are aware, a group of us met with National Grid on June 9<sup>th</sup> to discuss this very issue.) Builder Arnie Martel, Jr. made a strong argument that delays in performance were unfair as it held up closings. It was established that builders were put in the same queue as consumers converting to gas, and that there is a long backlog of these conversions. Builder Michael Wakeen suggested that National Grid separate builders from this queue and give us priority given the number of units we are trying to bring on line and the economic costs of delays. I also reemphasized the need to approve more site contractors for pipe installation as a means to reduce costs and increase the capacity of contractors who can do gas work.

Interestingly, Bill Hilbrunner of National Grid attended the meeting. He is currently the acting Vice President of Operations Support, and Brian reports to him at this time. He may get the job permanently. He wanted to see Brian's presentation and hear from builders. Bill seemed amenable to the idea of bifurcating the priority of builder work from consumer gas conversions, and making progress on other suggestions.

There were certainly strong opinions expressed during the meeting, and I really thought our builders did a great job indicating the problems with the gas side. I have since communicated with Brian and we agreed that we would have a follow-up meeting by early September at the latest to discuss how we can perhaps solve some of these problems on the gas side. I told him and Bill that this is likely the most difficult issue we will face, and that we would like to make progress. I believe they will be reviewing options in the interim.

On a related issue, John Smolak sent me an email he saw to Chris Duren from an employee from NG regarding capacity issues on Cape Cod. I queried Brian on this issue, and below was the response I received:

"Yes, I've recently learned that there are some significant capacity related issues on Cape Cod. The growth has been so high in the last few years we simply have come close to maxing out the supply lines to the region (leading to potential pressure problems to some areas of the Cape). I don't know the long term details regarding the resolution as of yet, but our engineering teams are working those details. Wish I knew more, but at this point we're in research mode. As those details become available, I'll be sure to share!"



I will keep everyone apprised if I hear more details on this. There should be a higher level meeting with the Cape Cod Association on this, and I have copied Mike Duffany on this email as well. Mike, let me know when it makes sense to meet with them on this.

Mark

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## John Smolak

---

**From:** Benjamin Fierro III <bfierro@lynchfierro.com>  
**Sent:** Monday, July 22, 2013 2:18 PM  
**To:** John Smolak; dare2bdftr@aol.com  
**Cc:** Brad Campbell  
**Subject:** [Fwd: RE: Follow-Up Memo Regarding Home Builder Meeting With National Grid]  
**Attachments:** untitled-[2]

FYI

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----- Original Message -----

**Subject:** RE: Follow-Up Memo Regarding Home Builder Meeting With National Grid  
**From:** "Schuster, Brian E." <Brian.Schuster@nationalgrid.com>  
**Date:** Mon, July 22, 2013 2:12 pm  
**To:** "Mark.Leff@salemfive.com" <Mark.Leff@salemfive.com>  
**Cc:** "Newman, Joseph" <Joseph.Newman@nationalgrid.com>  
"bfierro@lynchfierro.com" <bfierro@lynchfierro.com>

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Hi Mark-

Hope you're have a nice (and cool) summer! Just wanted to provide you with a quick update/progress on a few key items as referenced in previous email sent June 12th:

- 1) We have successfully hired our new field based (local) customer fulfillment project manager who will be based out of our North Andover office. His name is Dan Sancomb, and he's actually a seasoned fulfillment representative/supervisor. We do need to backfill his current role before we can release him to the field, but we should see him actively managing projects from the field by late August/early September. His targeted workload will be larger commercial and industrial requests, but he will certainly help assist with the larger developments.
- 2) We are moving closer with our design organization into offering expanded preliminary designs and estimates (preliminary drafts earlier in the process). This carries some significant risk for us (unrecoverable re-design costs, etc.), but we've taken the voice of our customers to drive some change. Still on track for having a proposal to disclose by end of summer.
- 3) Process excellence teams continue to study, recommend, and drive overall process improvements, especially on the gas side of the business (we have a completely new communications plan in the works, and increased gas growth construction resources). We are also attacking a few critical nodes that tend to delay projects (especially with permits and easements), and overall performance measurement and visibility is ramping up. We hope this will translate to realized efficiencies and increased satisfaction in the field in the coming months.

I'll look to send further updates as appropriate. I'd like to propose we meet again sometime in the Sept/Oct timeframe to share the improvements we've made, plans looking forward, etc.? Let me know if that works for you and the association, as well as any possible dates that might be good for you.

Thanks,  
Brian

Brian Schuster



Director - Customer Fulfillment  
Operations Support  
nationalgrid  
781-907-3443  
[brian.schuster@us.ngrid.com](mailto:brian.schuster@us.ngrid.com)

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**\*DRAFT ONLY\***

To: Mark Leff, SVP, SalemFive Bank representing MA Home Builder's Association
From: Brian Schuster – Director, Customer Fulfillment, National Grid
Date: 01 FEB 2015
Subj: Expanded Gas Construction Capabilities for MA Builders/Developers

**Background:** Natural gas continues to surge in demand as a more efficient, cost effective and environmentally friendly energy source across the US, especially in the Northeast. Within National Grid's Massachusetts gas franchise area alone, new gas conversions and services have recognized volumes exceeding 8,000 annually. Concurrent with record level demand for new services, unprecedented focus and investment is being placed on upgrading existing natural gas infrastructure to ensure natural gas remains a safe and reliable source of energy for decades to come. Consequently, the combination of increased demand and need for infrastructure investment has unveiled some growing challenges for utilities, as acquiring new, qualified resources to efficiently meet the growing work profile has been difficult.

**Partnership:** National Grid continues to strengthen its relationship with trade partners in the overall fulfillment of new gas service requests across its franchise. More recently (over the last 18 months), National Grid worked on several endeavors in partnership with the Massachusetts Home Builder's Association (MHBA). This professional association of builders and developers has a heightened interest in improving the overall efficiency and timeliness of gas service installation, as the increasing pace of new construction and development strongly influences their livelihood.

Some of the joint work with MHBA has resulted in improved service fulfillment processing, communications, and education. Despite said improvements, the timely completion of gas construction projects has remained a critical node in the overall fulfillment lifecycle. Based on customer demand profiles, construction projects tend to peak in the late summer and fall of each year. Fielding sufficient utility resources to match this peak period continues to pinnacle as a challenge for all stakeholders involved. As such, National Grid and MHBA have begun to explore options for expanding construction capacity.

**Proposal:** In the fall of 2014, National Grid met to discuss considerations for the expansion of gas construction options for Massachusetts builders and developers. A few considerations were explored, with the following two options gaining the most support from the builder/development community:

- 1) National Grid could consider main and service infrastructure installation within developments by professional construction contractors who are fully qualified (Operator Qualified) by the Northeast Gas Association (NGA - [http://www.northeastgas.org/about\\_oq.php](http://www.northeastgas.org/about_oq.php)). National Grid could only support this endeavor with full authorization and approval by the state gas safety regulator (MA



DPU). If this option is authorized, private developers or their contractors would have to comply with all NGA qualifications as well as all National Grid installation standards and inspection processes. Materials (as proposed) would be supplied by National Grid.

- 2) National Grid will likely have additional resource capacity during off-peak times of year. If developers are able to assist with trenching where town or state digging permits are not required (i.e. work on private land outside of public moratoriums), increased gas pipe installation will be supported during favorable working conditions.

**Advancing the Proposals:** Option 2 of the before mentioned will not require significant changes or approvals to the overall service fulfillment process. Although it is heavily dependent on favorable working conditions, developers and National Grid can begin working this option within its existing framework of operations.

Option 1 brings a more significant change to current operating practices, and as such will require additional consideration and support. The first objective in advancing this option will require approval from the state regulatory authorities of gas pipeline safety and compliance. With increased safety protocols and more robust construction standards across the industry, harnessing regulatory support will be complex. However, the potential benefits for the trade ally community and greater customer base as a result of this option could be significant. Developers would have the ability to directly influence and plan their own infrastructure installations (with utility oversight/inspection). This will allow civil construction schedules for developments to advance in a more timely and efficient manner. To note, the installation of other utility infrastructure is already done by developers in advance of the utilities (i.e. electrical conduit is installed with utility inspection, well in advance of electric crews arriving to install wire and energize). It should also be highlighted that gas pipe installation beyond the line of utility demarcation already occurs by professionally licensed plumbers. It is anticipated that these licensed, professional plumbing contractors will not have difficulty obtaining and complying with the additional NGA and utility qualifications being prescribed.

**Next Steps:** National Grid will continue to work with the MHBA to strategize an approach to pursue communicating and getting approval for Option 1 in the upcoming months. After joint review, a formal communication plan will be disclosed. Ideally, a pilot attempt of Option 1 would be desired during the fall of 2015.



**John Smolak**

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**Subject:**

**FW: National Grid - Third Party Gas Construction**

-----Original Message-----

**From:** Schuster, Brian E. [mailto:Brian.Schuster@nationalgrid.com]

**Sent:** Tuesday, September 29, 2015 11:48 AM

**To:** Mark.Leff@saalemfive.com

**Cc:** bferro@lynchferro.com; John Smolak

**Subject:** National Grid - Third Party Gas Construction

Thanks Mark, and I too have enjoyed working with you and the association, and look forward to further interactions as appropriate. We did have a meeting this month with our gas, engineering, and jurisdictional leadership teams (which also included Marie and representation from Marcy's team). I'd prefer to call and discuss the details but seeing there are a few others on this email chain I'll summarize the outcome of the meeting for all of you.

National Grid recognizes and fully respects the needs of our customers and trade partners, especially the home builders and developers with whom you represent. We are committed to finding the safest, most efficient means of providing reliable gas service. Currently, we are not supporting the promotion of third party gas construction work (the concept of sleeving and installation of services previously outlined). There are unique situations where sleeving may be authorized, but that will require bespoke treatment and approval by our engineering team and will only be evaluated on a case by case basis. The primary reason for this position centers around the compliance and management of qualifications for said construction work. We have recently had to take immediate action and halt work while we evaluated compliance with our own gas contracted workforce. As such, our focus and attention needs to be centered on them and their associated compliance programs.

In short, we cannot expand the compliance oversight of Operator Qualified (OQ) construction work to a broader network of trade professionals even though they are capable of meeting the OQ requirements. We will revisit these options and their potential feasibility annually. Additionally, our construction resource capacity for customer work continues to expand. We are confident that we soon will be able to meet the construction needs of our customers.

We appreciate the value and professionalism our trade builders bring to our company and our customers, and we thank you for your patience and understanding in this matter.

Respectfully,  
Brian

Brian Schuster  
Director - Customer Fulfillment  
Operations Support  
nationalgrid  
Brian.schuster@nationalgrid.com  
781-907-3443



-----Original Message-----

From: Mark.Leff@saalemfive.com [mailto:Mark.Leff@saalemfive.com]

Sent: Monday, September 28, 2015 11:23 AM

To: Schuster, Brian E.

Cc: bfierro@lynchfierro.com; jsmlak@smolakvaughan.com

Subject: RE: 1438 Main St - Tewksbury, MA

Brian,

I decided not to respond immediately on this as it was a very surprising email to receive after our meeting with Marcy and Marie.

We met on May 19th to offer a big idea to help solve these problems with delays on the gas side, and our idea was rejected by National Grid, though I understand there is precedence for our proposal in California. We made these two other suggestions at that meeting in the hope that it would help alleviate some of your company's burden but also to move our developments along as utility delays cost our contractors a lot of money. The reaction at our May 19th meeting was uniformly positive on the idea of allowing our qualified subcontractors to implement the concept of sleeving as well as installing individual services. Now it appears that these two ideas are being rejected by your engineers?

If this is the way things are going to go, with no give on the part of National Grid on anything, then I know our members will want to go in another direction. They already believe that many of our meetings have been fruitless, and they do not have much confidence in promises of improving service times as they have been disappointed so many times in the past.

Please advise me as to whether our two latest proposals are being rejected by National Grid.

I do want you to know that I have enjoyed working with you and understand that you have tried to assist our association in discussions at National Grid.

Thank you.

Mark

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To learn about Mark's professional and community involvement, visit [www.salemfive.com/markleff](http://www.salemfive.com/markleff)

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-----Original Message-----

From: Schuster, Brian E. [mailto:Brian.Schuster@nationalgrid.com]  
Sent: Monday, August 17, 2015 12:14 PM  
To: Leff, Mark  
Subject: RE: 1438 Main St - Tewksbury, MA

I'll be honest with you Mark...as hopeful as I've been on it, it hasn't passed executive engineering approval...in fact, our engineering and compliance groups are still having a hard time justifying it but Marie is applying pressure. So in short, I can't say for certain when it will be a go aside from the case by case examples such as the one below. In the meantime, we've revamped our resource capabilities with found avenues to increase our contractor base. Essentially, we're meeting or exceeding new gas services demand now in most of our territory (still have a couple hot spots, but trending very favorably). I have a touch point with Marie coming next week, hope to have more info then!

R/  
Brian

-----Original Message-----

From: Mark.Leff@salemfive.com [mailto:Mark.Leff@salemfive.com]  
Sent: Monday, August 17, 2015 12:04 PM  
To: Schuster, Brian E.  
Subject: RE: 1438 Main St - Tewksbury, MA

Thanks, Brian.

When do you think you will have something on allowing our subs to put in individual services, and allowing the sleeve option? I know you folks were hopeful on both of those.

Let me know.

Mark

Mark H. Leff  
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-----Original Message-----

From: Schuster, Brian E. [mailto:Brian.Schuster@nationalgrid.com]  
Sent: Monday, August 17, 2015 12:01 PM  
To: Leff, Mark



Subject: RE: 1438 Main St - Tewksbury, MA

Hey Mark...not sure if you got an update on this yet this morning? I actually checked with Mark Herring on this job last week...he received all the necessary elements to advance the job to engineering who is now reviewing the project. Below is my latest update from him after I inquired about assessing the ability to install conduit for the culvert...R/Brian

From: Herring, Mark E.  
Sent: Tuesday, August 11, 2015 2:04 PM  
To: Schuster, Brian E.  
Subject: RE: 1438 Main St - Tewksbury, MA

It may be easier once the review is completed only because we will know what pipe size we are dealing with to supply the project. I don't think it will be a big factor it will most likely be 2" or 4". When they are ready I could contact the project manager and supervisor for the construction work in Lowell to possibly meet with the developer on site to take a look.

Mark Herring  
National Grid  
Gas Sales Support

-----Original Message-----

From: Mark.Leff@salemfive.com [mailto:Mark.Leff@salemfive.com]  
Sent: Monday, August 17, 2015 8:37 AM  
To: mpg102@comcast.net; Herring, Mark E.  
Cc: Schuster, Brian E.; mpg@tewksburycc.com  
Subject: RE: 1438 Main St - Tewksbury, MA

To all:

I was out last week. Was progress made on this?

Mark

Mark H. Leff  
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To learn about Mark's professional and community involvement, visit [www.salemfive.com/markleff](http://www.salemfive.com/markleff)

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-----Original Message-----

From: Matt Ginsburg [mailto:mpg102@comcast.net]

Sent: Tuesday, August 04, 2015 6:01 PM

To: Herring, Mark E.

Cc: Brian E. Schuster; Marc Ginsburg; Leff, Mark

Subject: Re: 1438 Main St - Tewksbury, MA

Hello Mark,

Here are the BTU loads for both components of the project that you asked for. Anything else you need please let me know.

Commercial Building

4 Tenants

4 Meters

Combined total load of  
1,000,000 BTU's.

12 Detached Town Homes

Approximate load per unit  
300,000 BTU's.

Matt Ginsburg

Tewksbury Country Club

Marc P. Ginsburg & Sons Inc.

Cell: 978-609-5487

Sent from my iPhone

> On Aug 3, 2015, at 2:56 PM, "Herring, Mark E." <Mark.Herring@nationalgrid.com> wrote:

>

> Matt,

> I am not sure what the timeline for construction is for this project.

> I could get the service to the commercial building in the front this year with a separate service and the houses would go to a residential rep next year. See the note below "Due to contractor crew constraints National Grid cannot commit to installing any new Growth Main for the remainder of the 2015 construction season. All new growth main will be placed on a waiting list for the start of the 2016 construction season."

>

> Please forward the gas loads.

>

> Thanks,

>

> Mark Herring

> National Grid

> Gas Sales Support

> 164 Viscoloid Ave.

> Leominster MA 01453

> O 978 840 3817

> C 617 593 0509

>



>  
> -----Original Message-----  
> From: Matt Ginsburg [mailto:mpg102@comcast.net]  
> Sent: Sunday, August 02, 2015 8:21 PM  
> To: Herring, Mark E.  
> Subject: 1438 Main St - Tewksbury, MA

>  
> Hello Mark,  
> We have a mixed use development that just finished getting all its final approvals. It will be a commercial building out front with 12 detached town homes in the rear. I have attached a utility lay out below. I also have a hard copy full set of signed plans for you if needed. Can you send me all the necessary applications or load sheets needed to move things along. Any questions don't hesitate to contact me at any time.

>  
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>  
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