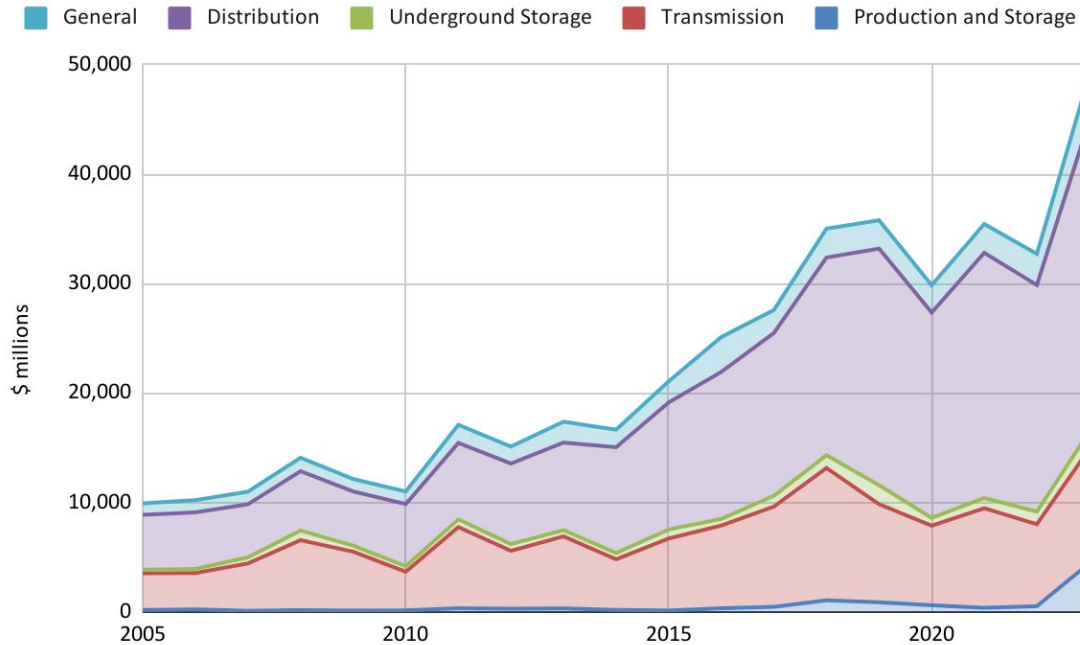


Energy affordability and the changing economics of utility gas in Massachusetts

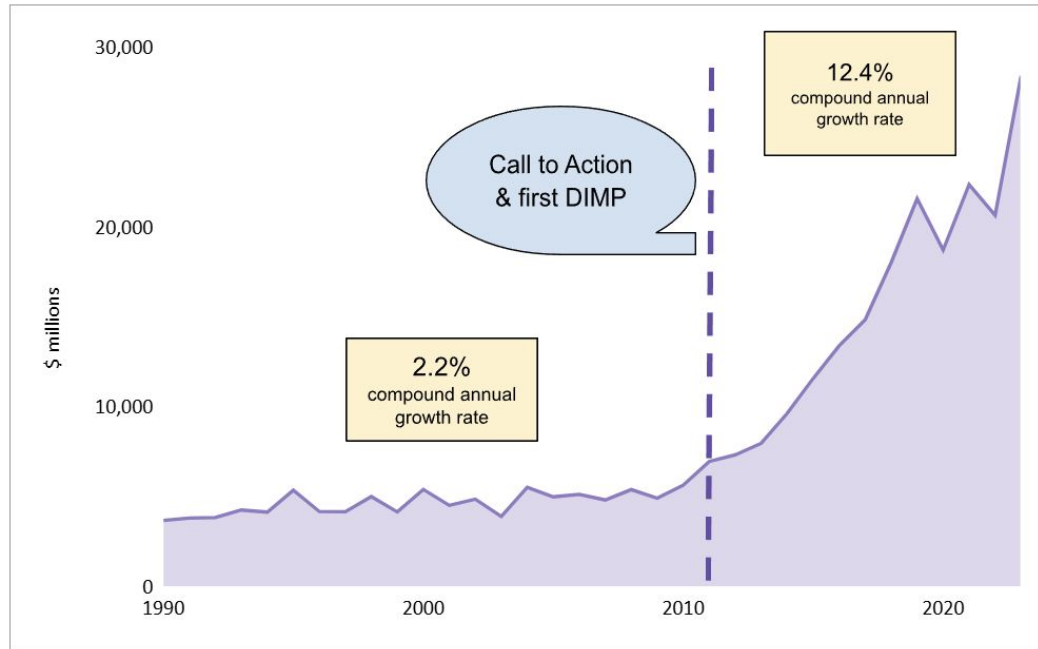
Dorie Seavey, PhD
Senior Research Scientist
[The Future of Heat Initiative](#)
April 30, 2026

2. Gas utility infrastructure spending is up dramatically across the



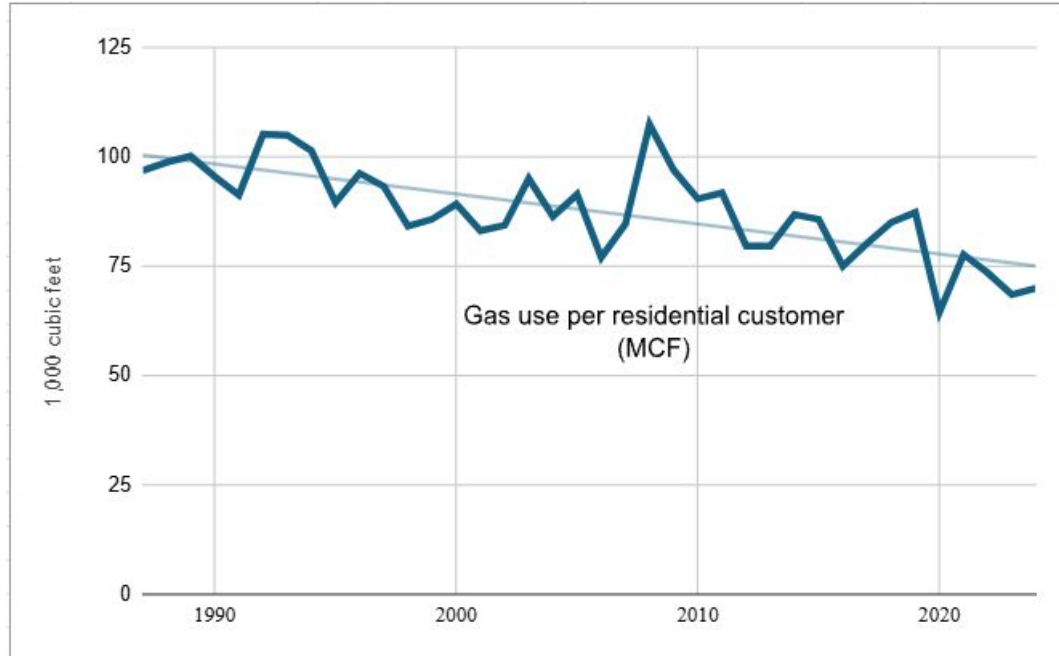
Source: American Gas Association

3. Distribution capital spending increased sharply after DIMP and the Call to Action



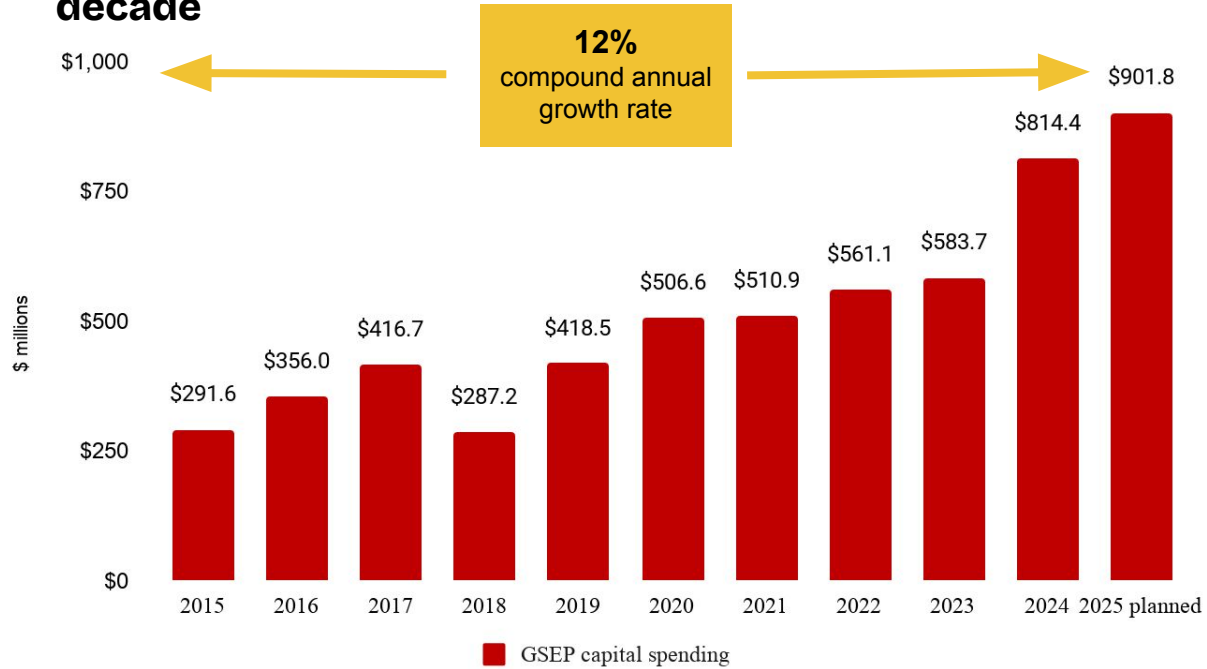
Source: American Gas Association

4. Massachusetts households are using less gas



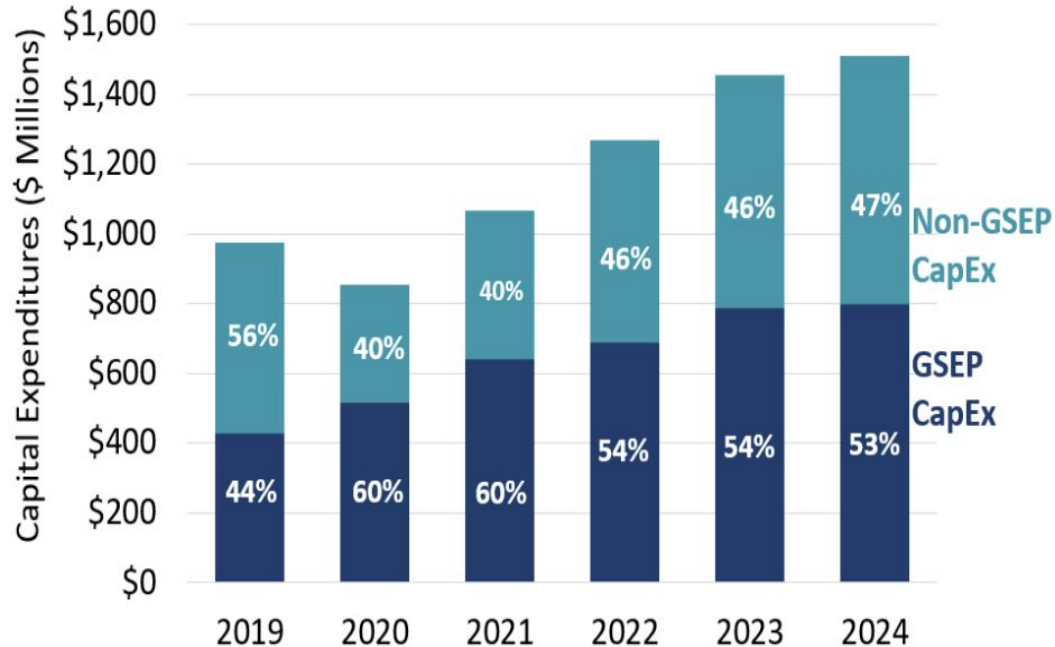
Source: U.S. Energy Information Agency

5. GSEP capital spending ballooned over the last decade



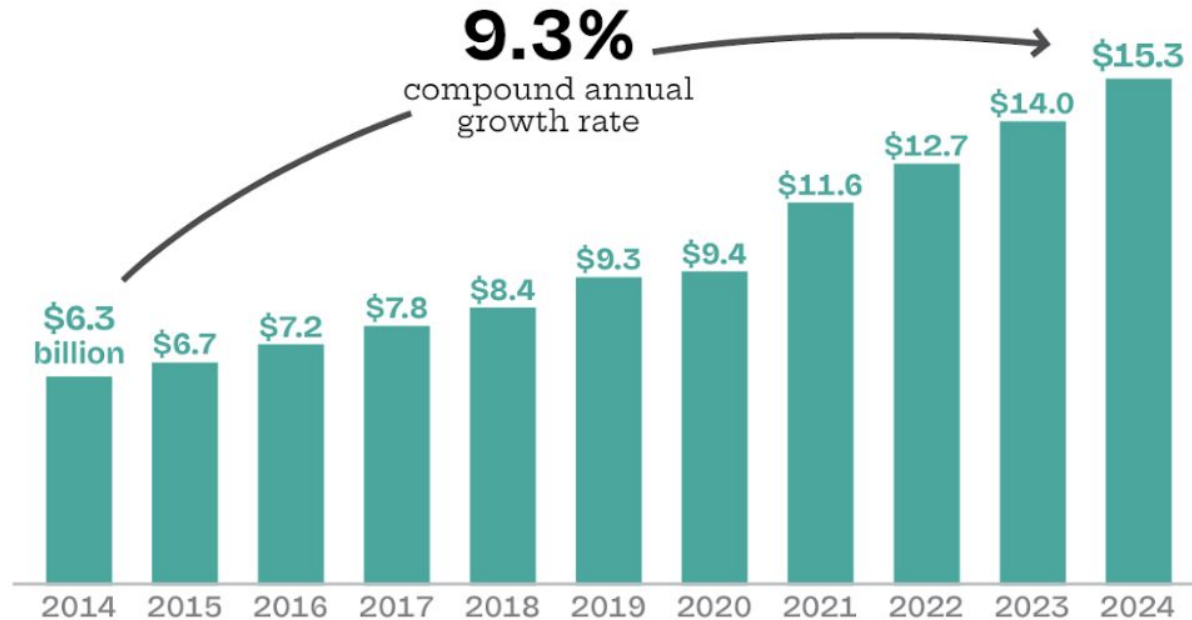
Source: D.P.U. 25-GLR-01

6. GSEP accounts for about half of utility capital spending



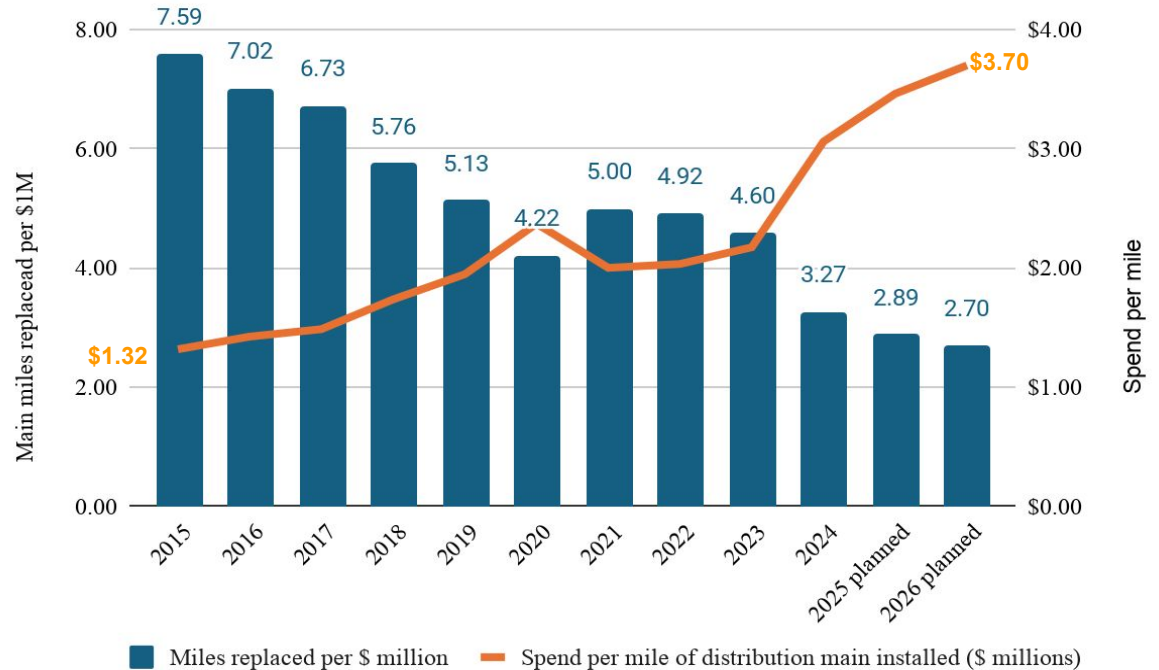
Source: Littell & Murphy, DPU 25-GSEP-01 thru 06, Exh AG-DL-DM-1

7. Gas utilities in Massachusetts more than doubled their asset base over the last decade



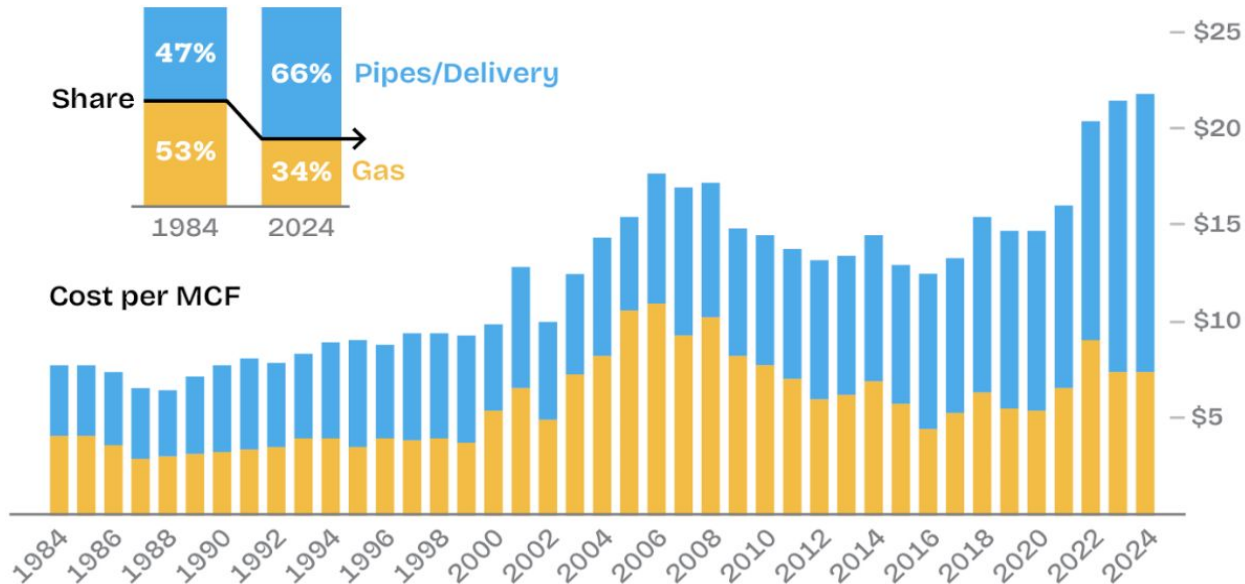
Source: FOHI, Massachusetts Gas Affordability Primer

8. GSEP's capital productivity has collapsed as fewer miles are remediated every year (bars) but more money is spent per mile (line)



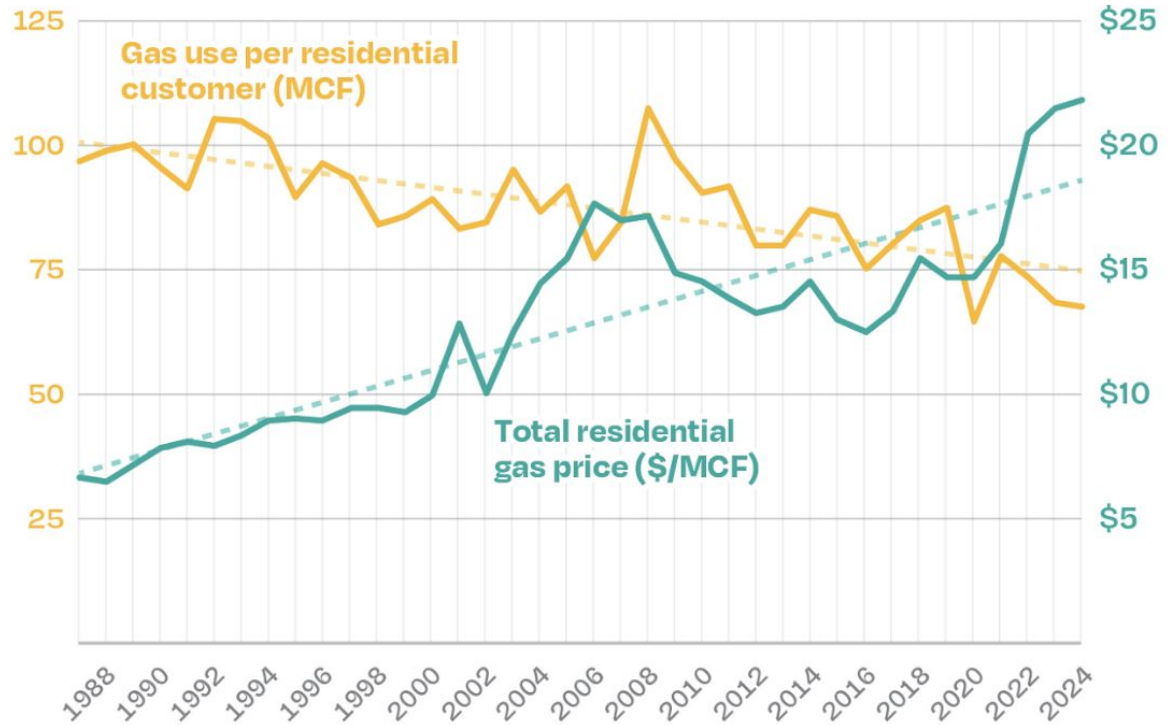
Source: FOHI analysis of D.P.U. 25-GLR-01 and D.P.U. 25-GSEP-01 through 06, CY 2026 GSEP Plans (October 2025)

9. Massachusetts gas customers pay more for pipes than for gas



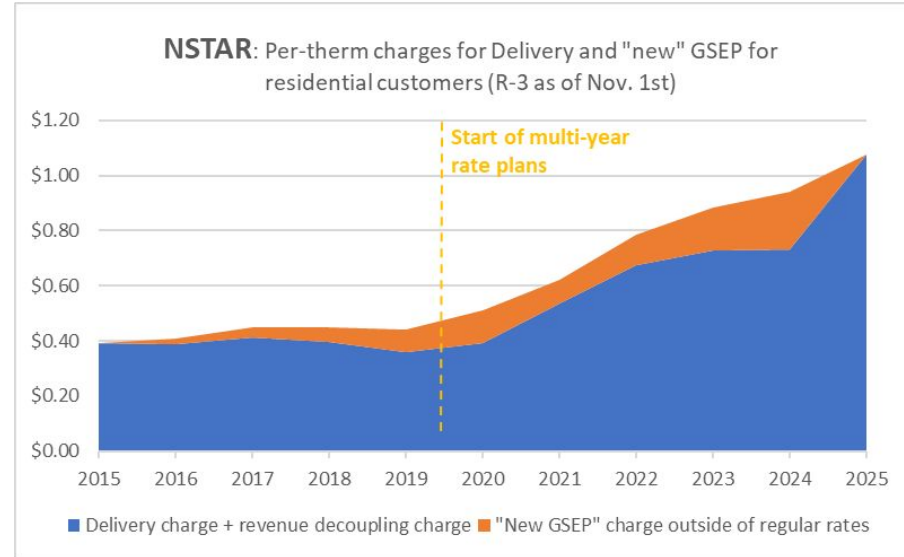
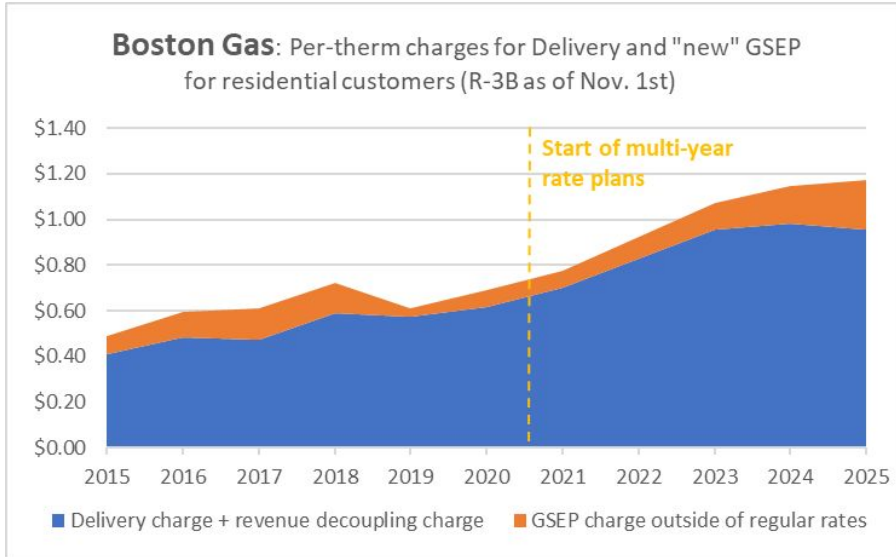
Source: FOHI, Massachusetts Gas Affordability Primer

10. Gas bills in Massachusetts are on the rise even though residential customers are using less gas



Source: FOHI, Massachusetts Gas Affordability Primer

11. Capital spending on the Massachusetts gas system is quietly driving rising customer costs



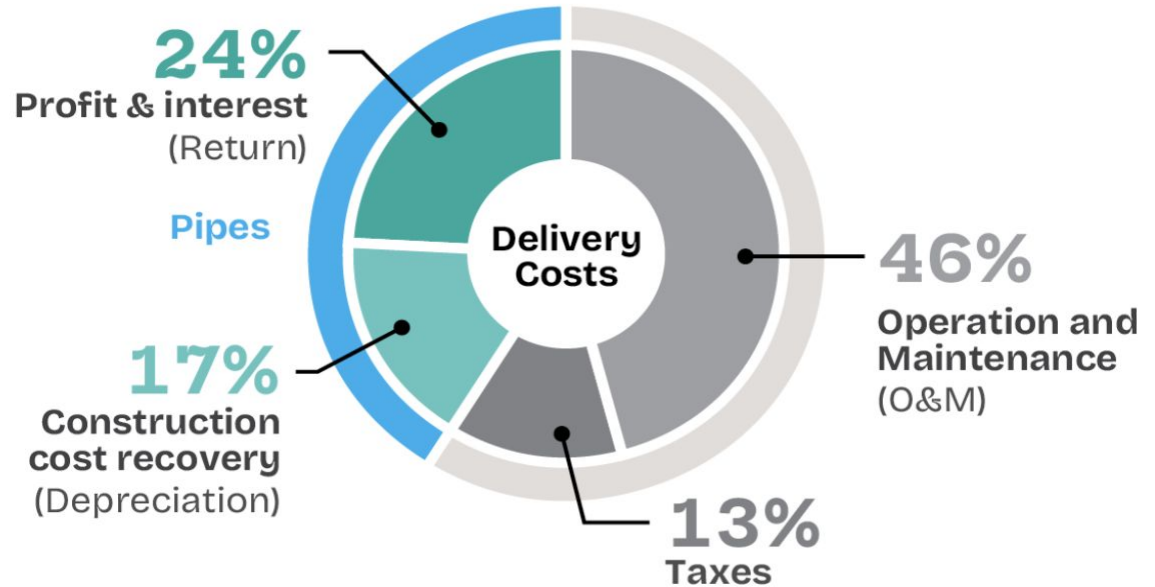
Note: Per-therm delivery charges do not include fixed monthly charges.

Source: D.P.U. PGAF and GAF filings (various years)

Cost of service for Boston Gas, NSTAR, & EGMA combined

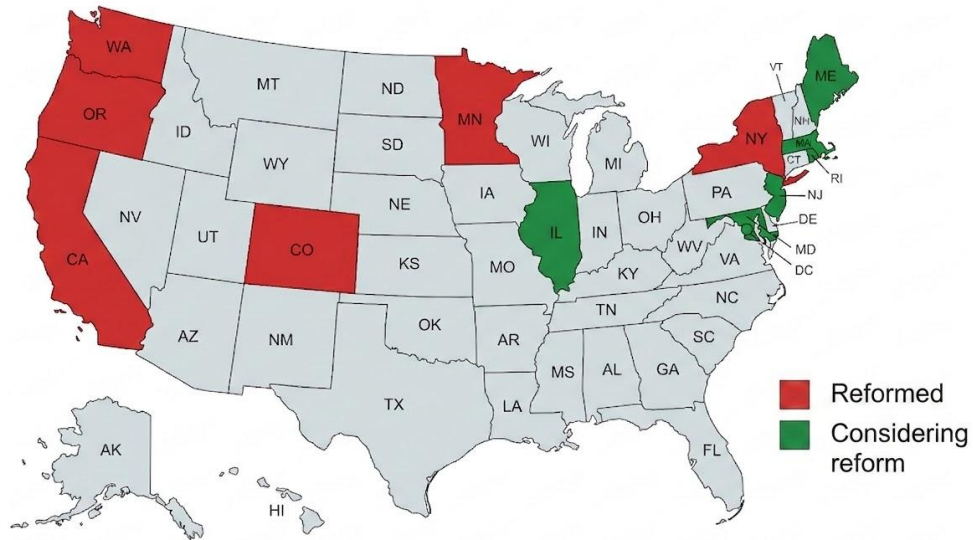
12. In MA, one quarter of delivery costs go to utility profits + financing costs. Another 17% goes to paying back the direct cost of capital investment. *

* "Delivery costs" refer to costs covered via basic per-therm delivery charges + fixed monthly charges



Source: FOHI, Massachusetts Gas Affordability Primer

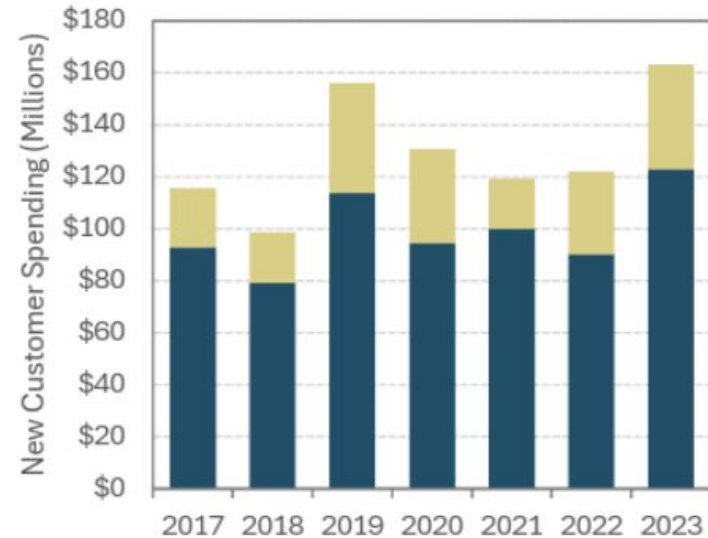
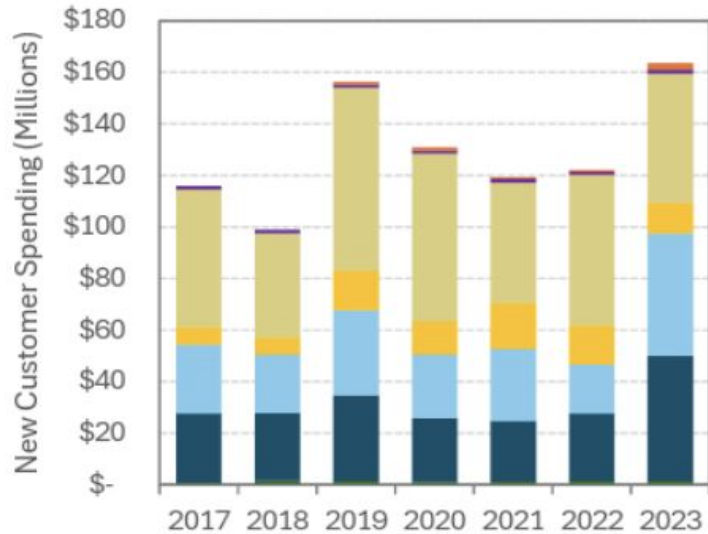
13. Gas line extension allowance reforms have advanced in 12 states since 2021



Credits with mapchat.net

Source: Update from Building Decarbonization Coalition (January 2026)

14. Line extension allowances cost Massachusetts gas customers \$160M in 2023

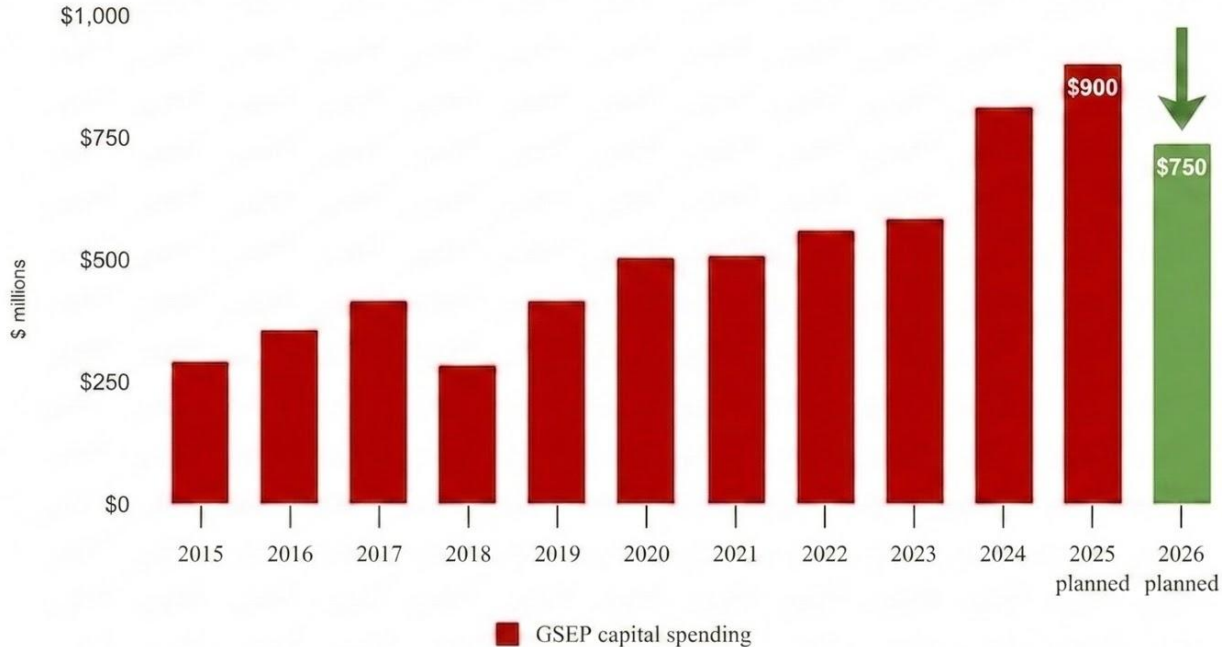


■ Unitil
 ■ NSTAR
 ■ EGMA
 ■ Colonial
■ Boston Gas
 ■ Liberty
 ■ Berkshire

■ Residential
 ■ Commercial

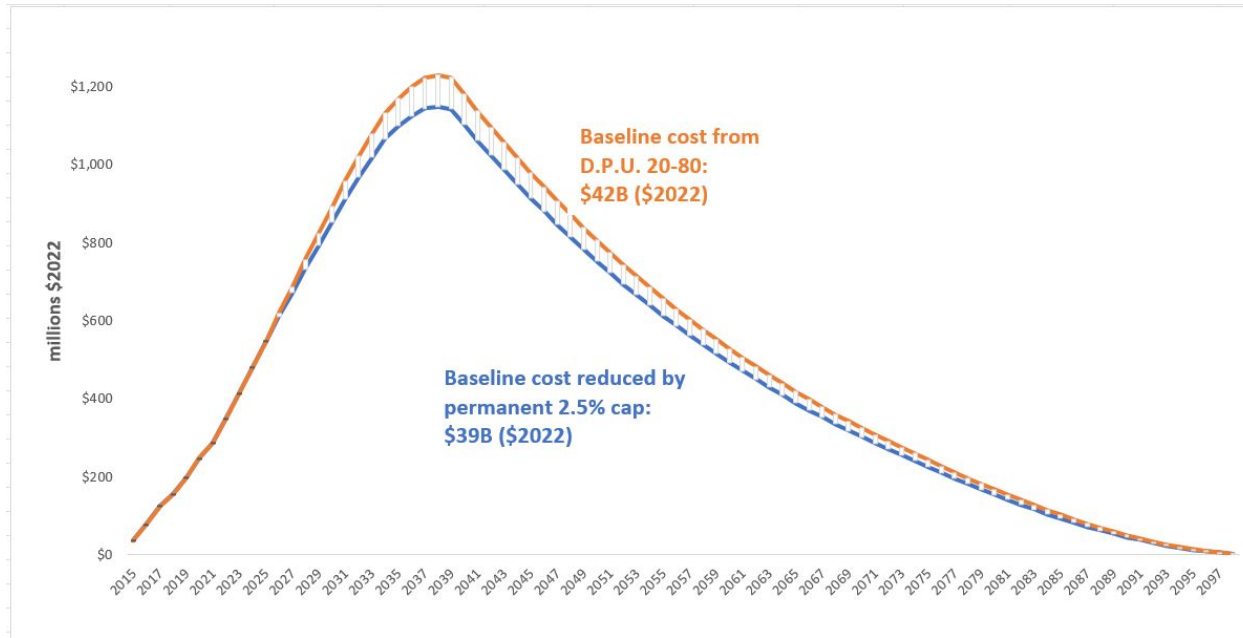
Source: Michael J. Walsh, Pipeline Extension Allowances and the Future of Gas in Massachusetts (October 2024)

15. The 0.5% GSEP revenue cap reduction lowered gas utilities' planned capital spending for 2026 by 9.4%



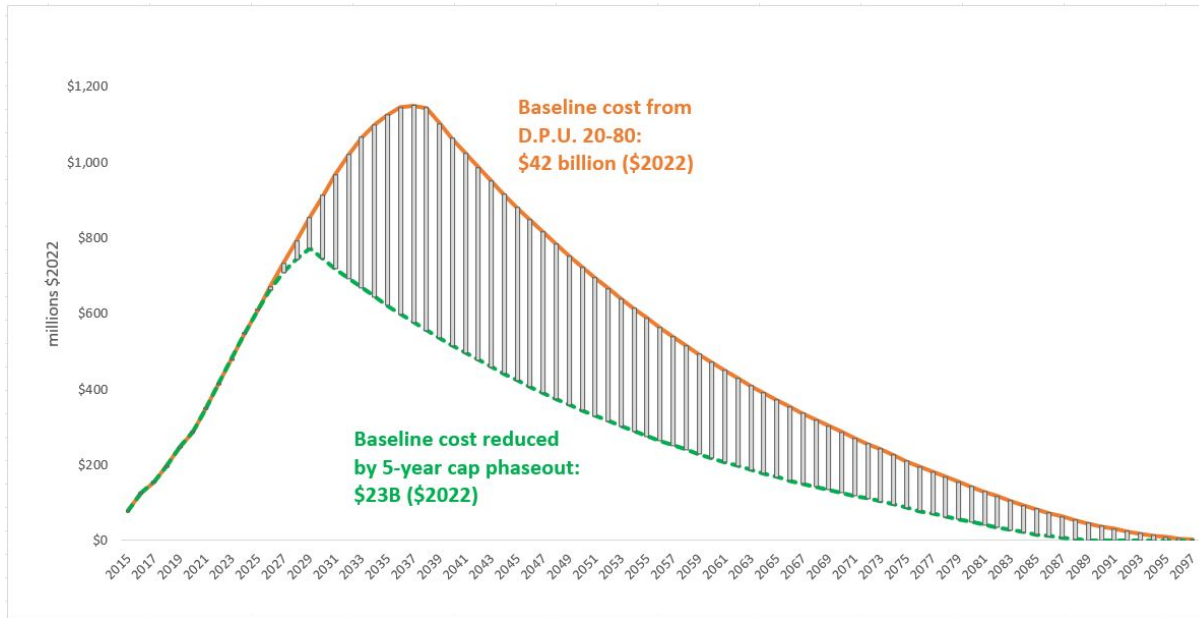
Source: D.P.U. 25-GLR-01 and DPU 25-GSEP-01 through 06, CY 2026 GSEP Plans (October 2025)

16. A modest 0.5% reduction in GSEP's revenue cap could save customers \$2.4B over time and \$475M over the next decade



Source: Author's calculations based on Independent Consultant Report Docket 20-80, Appendix 4: Input Assumptions Workbook (2022) and 25-GSEP-01 through 06 (October 2025), proposed revenue requirement filings

17. A phaseout of the GSEP revenue cap by 2030 could save customers \$19B over time and \$2.5B over the next decade



Source: Author's calculations based on Independent Consultant Report Docket 20-80, Appendix 4: Input Assumptions Workbook (2022) and 25-GSEP-01 through 06 (October 2025), proposed revenue requirement filings

“The question is not whether pipeline replacements generally improve safety and reliability, but what types of pipes are to be replaced, to what degree safety and reliability are affected, at what pace, and at what cost.”

Illinois Commerce Commission, Ameren Illinois Company, Order, Docket P2023-0067 (November 16, 2023), p. 90.