# GSEP: A LEAK IN THE RATEPAYER'S WALLET

Massachusetts started the Gas System Enhancement Program to help gas companies fix leaks. But gas companies have played the program to earn astronomical profits at our expense, while leaks have gone up. **GSEP is failing, unaffordable, overpriced, and unnecessary. Ending GSEP would save ratepayers $600 million every year, without any decrease in safety.**

- **Failing: they're doing worse than when they started!**
  - The amount of "'lost and unaccounted for gas" as a share of total gas *has gone up* by 24% (National Grid) to 60% (NSTAR) since GSEP started (AGO, p. 52).
- **Unaffordable: costs are high and rising!**
  - GSEP costs the average household more than $200 a year (AGO 2026, p. 29).[1]
  - GSEP costs have tripled since 2015 (309%), growing 12% a year (Seavey 2026).
  - Massachusetts homes have cut gas use 22% since GSEP started, but gas rates overall have gone up by 50% (FoHI 2026).
  - Ending GSEP would save ratepayers more than $15 billion (AGO 2026, p. 29).
- **Overpriced: utilities choose the most expensive methods to make more money!**
  - Utilities have no incentive to save money on GSEP, since higher spending this year raises next year's GSEP cap, creating a "vicious cycle" (AGO, p. 29).
  - Repairing pipes is cheaper than replacing them and can keep them safe for 50-100 years. But utilities favor replacement over repair because it earns greater profits (AGO, p. 23). Non-pipe alternatives like network geothermal or heat pumps can be cheaper too, but utilities have never chosen them (AGO, p. 53).
  - Replacement costs $3.7 million/mile, up 180% since GSEP began (Seavey 2026).
  - Utilities lay new pipes even when gas is being phased out: they're spending $50 million this year alone on new pipes in Fossil Fuel Free towns (Wolman 2026).
- **Unnecessary: utilities have to fix serious leaks anyway!**
  - Even without GSEP, utilities are already required by law to fix the most serious ("Grade 1") leaks "as immediately as possible" and all pipelines must meet federal safety standards (AGO 2026, p. 11).
  - Utilities can still recover their costs for fixing leaks without GSEP, they just wouldn't be incentivized to waste money doing so.

## Sources


- FoHI (2026). "Paying More for Less: Rising Gas Bills in Massachusetts." Future of Heat Initiative. Available at https://thefutureofheat.com/s/FoHI-Gas-Primer-MA-Final.pdf.
- AGO (2026). "Joint Direct Testimony of David P. Littell and Dean Murphy." Testimony to the Department of Public Utilities on behalf of the Massachusetts Office of the Attorney General.
- Seavey, Dorie (2026). "Massachusetts (and all states) should end accelerated cost recovery for gas pipeline replacement." *Based Rates*. Available at basedrates.substack.com/p/massachusetts-and-all-states-should.
- Wolman, Jordan (2026). "Ten communities in Massachusetts went 'fossil fuel free.' Then utilities spent $100M on natural gas infrastructure there." *Commonwealth Beacon.* Available at https://commonwealthbeacon.org/energy/ten-communities-in-massachusetts-went-fossil-fuel-free-then-utilities-spent-100m-on-natural-gas-infrastructure-there/.


[1] Extrapolating from $5,998 million in savings over 10 years, divided by 2.785 million households suggests $215 in annual avoidable costs. This is an underestimate: not everyone lives in areas covered by GSEP. Also, the GSEP surcharge on bills only covers a small portion of costs: most of the cost is hidden within delivery rates (Seavey 2026).

# GSEP has made the gas companies richer, us poorer, and nobody safer! GSEP is...

## Failing

There's more "lost and unaccounted for gas" than when GSEP started.

## Unaffordable

Ending GSEP would save ratepayers $600 million a year.

## Overpriced

GSEP encourages over-spending: replacement costs are up 180%.

## Unnecessary

The law already requires utilities fix serious leaks, with or without GSEP.

SAVE MASS SAVE +ACP Massachusetts Coalition for Affordable Energy

**Fix the leak in our wallets. End GSEP now.**