GSEP: A Major Cost Driver That Delivers Little Benefit

Gas Customers Will Pay More with GSEP Ongoing

June 10, 2026

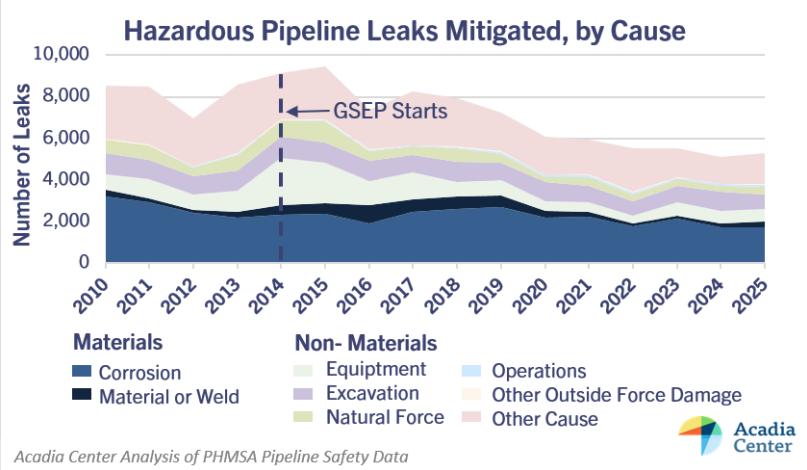
Acadia Center
Advancing the Clean Energy Future
15 Court Square • Suite 1000
Boston, MA 02108

The Gas System Enhancement Program (GSEP)

- GSEP is a well-intentioned initiative passed in 2014 intended to replace "leak-prone" infrastructure for fossil gas (also called "natural gas") in Massachusetts.
- However, gas utilities are already required under law to maintain a safe, reliable gas system. GSEP has simply served as a method for the utilities to get paid faster for doing work they are obligated to do anyway – it does not change the obligation in any way.
- Faster utility recovery leads to less regulatory scrutiny of costs, which has led to inflated customer bills.

GSEP costs have grown precipitously, but benefits have not kept pace

- Since 2014, **MA gas utilities have spent $6.2 billion on new gas pipes via GSEP**. GSEP spending has increased by an average of 12% every year since 2015, from $291 million to a proposed $880 million in 2025. **GSEP accounts for at least 8-11% of gas ratepayers' bills and grows every year.** [i, ii]
- **The program has not led to clear safety benefits, significant hazardous leak reductions or reduced GHG emissions.** [iii, iv] GSEP is intended to reduce leaks related to materials (corrosion or material or weld). According to the graph, we do not see a significant reduction in materials-related leaks mitigated from before the start of the program to after.



- Estimates from the MA Future of Gas proceeding and other GSEP experts forecast that overall GSEP costs will amount to between **$23,500-$31,000 per gas customer over the life of the program**. [v, vi]
- The MA statewide average per-mile pipe replacement cost was $1.32 million in 2015, but the largest GSEP program (National Grid) faces per-mile costs of $4.66 million in 2026 – **up 350+% in 11 years**. [vii]
- Since GSEP began, National Grid and Eversource have grown the value of their gas assets from $6B to over $15B, even though **per-residential customer gas usage decreased about 20%** from 2014-2024. [viii, ix]
- Phasing out the GSEP revenue cap by 2030 could save customers $2.5B over the next decade. [x]
- Line extension allowances, which are ratepayer-paid subsidies for connecting new gas users, cost gas customers in MA $160m in 2023 alone. [xi]

---

[i] AG Campbell Applauds Changes to GSEP Program That Will Save Ratepayers Money | Mass.gov

[ii] Study: GSEP at the Six-Year Mark | Dorie Seavey

[iii] Majority of US urban natural gas emissions unaccounted for in inventories | PNAS

[iv] Gas Distribution Significant Incident Trends | PHMSA, accessed 10/20/2025

[v] Spending Billions Fixing the Gas System Makes No Sense | Dorie Seavey

[vi] Rising Massachusetts gas bills: What role are GSEP and other infrastructure capital spending playing? | Dorie Seavey

[vii] Mass. gas customers spending billions on new pipes the state plans to abandon | WCVB

[viii] Paying Less for More: Rising Gas Bills in MA | Future of Heat Initiative

[ix] Calculated from Massachusetts Natural Gas Number of Residential Consumers | EIA.gov and Massachusetts Natural Gas Residential Consumption | EIA.gov

[x] Gas companies face cuts as Mass. reforms pipeline program | Boston Globe

[xi] DPU Halts Gas Line Extension Subsidies, Saving Customers Millions | Acadia Center

Copyright © 2025 by Acadia Center. All rights reserved.