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People's Counsel

February 13, 2024

Brinda Westbrook-Sedgwick
Commission Secretary
Public Service Commission
of the District of Columbia
1325 G Street, N.W., Suite 800
Washington, D.C. 20005

Re: Formal Case No. ___, In the Matter of the Petition for Investigation into Washington Gas Light Company's System Leak Reduction Practices & Transparency

Dear Ms. Westbrook-Sedgwick:

Enclosed for filing in the above-referenced proceeding, please find the *Office of the People Counsel for the District of Columbia's Petition for An Investigation into Washington Gas Light Company's Natural Gas Infrastructure*.

If there are any questions regarding this matter, please contact me at 202.727.3071.

Sincerely,

/s/ Laurence C. Daniels
Laurence C. Daniels
Director of Litigation

Enclosure

cc: Parties of record

**BEFORE THE
PUBLIC SERVICE COMMISSION
OF THE DISTRICT OF COLUMBIA**

In the Matter of)	
the Petition for Investigation into Washington)	Formal Case No. _____
Gas Light Company's System Leak Reduction)	
Practices & Transparency)	

**PETITION FOR AN INVESTIGATION
INTO WASHINGTON GAS LIGHT COMPANY'S
NATURAL GAS INFRASTRUCTURE**

I. INTRODUCTION

Pursuant to Sections 1-204.93, 34-301(2), 34-808, and 34-903 of the District of Columbia Official Code ("D.C. Code")¹ and Rules 101.1, 101.2 and 101.4 of the Rules of Practice and Procedure ("Rules") of the Public Service Commission of the District of Columbia ("Commission"),² the Office of the People's Counsel for the District of Columbia (the "Office" or "OPC"), the statutory representative of public utility ratepayers and consumers in the District of Columbia,³ hereby respectfully petitions the Commission to establish an investigation into the reasonableness, safety, and prudence of Washington Gas Light Company's ("Company" or "WGL") handling of natural gas leaks on its distribution system in the District of Columbia.

¹ D.C. Code §§ 1-204.93, 34-301(2), 34-808, and 34-903 (Lexis 2020).

² 15 D.C.M.R. §§ 101.1, 101.2 and 101.4.

³ D.C. Code § 34-804 (Lexis 2020).

II. SUMMARY OF OPC’S REQUEST FOR A COMPREHENSIVE INVESTIGATION INTO WASHINGTON GAS’ NATURAL GAS INFRASTRUCTURE

Washington, D.C. deserves a safe and reliable natural gas infrastructure. A dependable natural gas infrastructure is crucial for meeting the energy needs of the city while advancing the energy goals of the city. Unfortunately, over the past several years, legitimate concerns have arisen regarding Washington Gas' mismanagement and its apparent inability to effectively reduce natural gas leaks, posing significant risks to the community and the environment. A mismanaged natural gas infrastructure will result in significant safety hazards, economic losses, and an impediment to the District’s goals to reduce greenhouse gas emissions and meet other climate initiatives.

The Office of the People’s Counsel has recognized the danger of an infirm natural gas infrastructure and has twice called for the District of Columbia Public Service Commission (Commission) to initiate and conduct a comprehensive investigation of Washington Gas’ infrastructure. Unfortunately, the Commission denied OPC’s requests for such an investigation. Despite these denials, OPC maintains that there are at least two new substantial reasons why an investigation is needed at this time. First, the Council of the District of Columbia has stated that *“PROJECTpipes does not align with the new, fossil-free future that the Council has charted.”* Second, data that tracks the number of leaks proves that the most dangerous types of natural gas leaks, Grade 1 leaks, are increasing. This is not only a substantial safety concern, but also an impediment to the city advancing its climate goals. OPC submits, either of these circumstances alone is a sufficient reason for the Commission to initiate a comprehensive investigation of WGL’s infrastructure.

III. BACKGROUND

On April 27, 2021, the Office of the People’s Counsel for the District of Columbia filed a “Petition for an Investigation into Washington Gas Light Company’s System Leak Reduction Practice & Transparency,” requesting that the Public Service Commission of the District of Columbia (“Commission”) establish an investigation into the reasonableness, safety, and prudence of WGL handling of natural gas leaks on its distribution system in the District of Columbia.⁴ On June 27, via Order No. 20762, the Commission denied OPC’s request and directed stakeholders to convene a technical conference to differentiate the Company’s normal replacement work comparative to the accelerated replacement work in PROJECTpipes and to detail what additional reporting metrics should be required to monitor and ensure the Company is meeting normal replacement requirements.⁵

On April 8, 2022, the Office filed a second petition requesting an investigation because WGL failed to meet the 2019 target to reduce its Grade 2 leaks required under a commitment established in the order approving the merger of Washington Gas and AltaGas.⁶ The Commission denied that request via Order No. 21169, stating that the agency was not persuaded that a separate proceeding (investigation) was necessary or particularly helpful at this juncture, but that the Commission could do so if warranted by circumstances.⁷

IV. DISCUSSION

An investigation into Washington Gas’ infrastructure is long overdue, and the time for such an inquiry is imperative. Persistent concerns regarding the company's management practices, including reports of frequent natural gas leaks and delayed repairs, have raised significant alarm

⁴ OPC’s Petition for Investigation, filed April 27, 2021.

⁵ OPC2021-01-G, Order No. 20762, rel. June 24, 2021

⁶ OPC’s Petition for Investigation, filed Apr. 8, 2022.

⁷ OPC2021-01-G, Order No. 21169, rel. June 17, 2022.

among policymakers and the public alike. The safety and well-being of Washington, D.C. residents, as well as the environment, are at stake. Urgent action is necessary to address these issues, restore public trust, and ensure the safety and reliability of the natural gas infrastructure. Delaying further investigation only prolongs the risks and undermines the community's confidence in the company's ability to manage its infrastructure responsibly. OPC submits two new circumstances warrant an investigation. The first is the recent concerns raised by the Council of the District of Columbia delineated in a letter to the Commission and the other is the most recent data regarding the status of natural gas leaks.

1. The Council of the District of Columbia's climate agenda requires an investigation into Washington Gas's infrastructure.

On February 7, 2024, ten members of the Council of the District of Columbia submitted a letter to all members of the Commission stating that they had serious concerns about Washington Gas' natural gas infrastructure.⁸ Specifically, the Council is concerned about the continued existence of PROJECTpipes. Additionally, the Council sees the need to re-evaluate the use of natural gas in light of the Climate Commitment Amendment Act of 2022.

As it concerns PROJECTpipes, the Council could not be clearer that the project needs to be reevaluated NOW. The Council's February 7 letter states, "*PROJECTpipes does not align with the new, fossil-free future that the Council has charted.*"⁹ The letter goes on to say that the expenses involved with continuing PROJECTpipes on its current path will be a financial burden to ratepayers and that investing in new pipelines that would soon be abandoned for new more energy sustainable technology is not a prudent decision. On a going-forward basis, the Council stated that the Commission needs to move on from PROJECTpipes and recommends "*that the Commission*

⁸ See attached, The Council's letter to the Commission dated February 7, 2024, re: The Future of the District's Gas Distribution Network.

⁹ *Id.*

*begin integrated, comprehensive thermal energy planning consistent with the carbon neutrality goals laid out in the Climate Commitment Amendment Act of 2022.”*¹⁰

OPC submits a comprehensive investigation into the natural gas infrastructure will yield a new path for repairing leaks in the current system and develop an effective roadmap for developing a natural gas infrastructure that is consistent with the city’s climate goals.

2. Recent data on the status of natural gas leaks warrants an investigation of WGL’s infrastructure.

A January 4, 2024, filing from Washington Gas, in response to a Commission order requesting information regarding the Company’s pipe replacement activity, as well as leak and cost information shows that the number of Grade 1 leaks, the most dangerous types of leaks, has increased significantly. In 2014, the number of Grade 1 leaks was 689, in the two most recent reporting—years 2021, the number of Grade 1 leaks was 1,019 and in 2022, the number was 969.¹¹ Given the amount of attention and financial investment in pipe replacement for PROJECTpipes and WGL’s routine maintenance, the number of Grade 1 leaks should not be this high. Grade 1 leaks are the type of leaks most likely to result in an explosion that causes property damage and loss of life. Moreover, Grade 1 leaks emit a high amount of carbon emissions that are harmful to the environment. Based on these new numbers alone, the Commission should initiate an investigation into how WGL is managing the infrastructure.

OPC submits that the Council’s clear concerns about the ineffectiveness of PROJECTpipes, the inefficiency of further investment in new pipes for natural gas service, the need to establish a comprehensive thermal energy plan, and the high number of Grade 1 leaks, require the Commission to exercise the sound due diligence of using the full breadth of its authority

¹⁰ *Id.*

¹¹ *Formal Case No. 1154*, Washington Gas Light Company’s Response to Order No. 21940, Attachment.

to regulate WGL more effectively. That process should start by approving OPC's petition for a comprehensive investigation into WGL's infrastructure.

3. The components of a comprehensive investigation:

The Commission will ultimately decide what a comprehensive investigation should entail. Based upon the Office's years of examination of the issues with WGL's infrastructure, OPC recommends, at a minimum, that the Commission include the following areas in the investigation.

A comprehensive investigation into Washington Gas leaks aims to provide an overarching understanding of the problem, from detection methods to repair protocols, geographic distribution, root causes, and environmental impact. By addressing these critical aspects, the findings will serve as a foundation for developing informed strategies, policies, and initiatives that prioritize public safety and environmental sustainability in Washington's urban landscape.

i. Identifying the Best Methods for Leak Detection:

One crucial aspect of the investigation involves identifying the most effective methods, both in terms of technology and procedures, for detecting natural gas leaks in urban environments. This includes assessing the use of current technologies and exploring innovative approaches that may enhance accuracy and efficiency in leak detection. Major points of examination would include -- Advanced Leak Detection (what is WGL currently using compared to industry standards) and what technologies are currently used in other jurisdictions.

ii. Examination of WGL's Protocols:

The investigation will delve into WGL's existing protocols for identifying and addressing leaks of varying severity, classified as Grade 1, Grade 2, and Grade 3. Understanding the standard procedures for leak identification and repair is essential for ensuring swift and appropriate responses to different levels of gas leaks. Major points of examination would include -- an

explanation of WGL's current procedures and protocols for identifying leaks; the classification of leaks (Grades 1, 2 & 3); best practices for recording leak data; accuracy of the LIDAROC database, clarity on the use of leak data sources for analysis (PHMSA data) and WGL's performance of merger commitments 50, 55, 57 & 73.

iii. Evaluation of Project Pipes:

The investigation will scrutinize WGL's protocols specifically related to the identification and repair of leaks using PROJECTpipes. This initiative may have unique features that contribute to effective leak management, and the examination will determine its current relevance and whether any revamping is necessary for improved outcomes. Major points of examination would include -- a review of all audits of PROJECTpipes 1 & 2, specifically, the observations and recommendations mentioned by Liberty & Continuum and the statistical results & overall performance of Project Pipes 1 & 2 and the fate of Project Pipes 3.

iv. Quantification of Leaks by Location:

An essential component of the investigation involves quantifying the number of leaks in the city, categorized by ward and quadrant. This geographic analysis will help prioritize areas in need of immediate attention and resource allocation, contributing to a more targeted and efficient mitigation strategy. Major points of examination would include -- WGL's inconsistency with the presentation of LIDAROC data and WGL's inability and capacity to produce and present a GIS mapping tool that gives granularity to graded "discovered" and recorded leaks and/or hazardous and non-hazardous leaks repaired.

v. Understanding the Causes and Climate Impact:

To address the root causes of the issue, the investigation will aim to understand the reasons for natural gas leaks in Washington, DC. Uncovering the factors contributing to leaks is crucial

for implementing preventive measures. Additionally, the assessment will explore the climate impact of these leaks, emphasizing the importance of environmental sustainability. Major points of examination would include – An analysis of the root causes of gas leaks on mains and service lines (by ward, quadrant), an examination of predictive gas leak software, specifically, understanding WGL’s new system leak forecasting software, Jana. A holistic approach to identifying leaks in the District includes a combination of mobile ALD software and consumer calls.

vi. Looking Forward:

As the investigation progresses, attention will shift towards understanding how leaks are documented and reported. Examining Washington Gas's adjustment methods is equally vital, ensuring that the company remains adaptable to emerging technologies and industry best practices. The final phase of the investigation will scrutinize the continued necessity of initiatives such as PROJECTpipes. Determining whether the program meets its objectives or requires refinement is essential for optimizing resources and maximizing the effectiveness of leak management efforts. Major points of examination would include recommendations of WGL Merger Commitments to be converted or redefined as key performance indicators and recommendations of WGL implementing intermediate to advanced level analysis of LIDAROC data that provides snapshots of WGL leak detection and performance by ward, quadrant for service lines & mains.

V. **CONCLUSION**

For the reasons stated above, the Office respectfully requests that the Commission open a comprehensive investigation into WGL's natural gas infrastructure.

Respectfully submitted,

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Dated: February 13, 2024



**COUNCIL OF THE DISTRICT OF COLUMBIA
THE JOHN A. WILSON BUILDING
1350 PENNSYLVANIA AVENUE, NW
WASHINGTON, DC 20004**

February 7, 2024

Chair Emile C. Thompson
Commissioner Richard A. Beverly
Commissioner Ted Trabue
Public Service Commission of the District of Columbia
1325 G Street N.W., Suite 800
Washington, D.C. 20005

Re: The Future of the District's Gas Distribution Network

Dear Chair Thompson, Commissioner Beverly, and Commissioner Trabue:

The CleanEnergy DC Omnibus Amendment Act of 2018, effective March 22, 2019 (D.C. Law 22-257; 66 DCR 1344), requires that the Public Service Commission of the District of Columbia ("Commission") consider the "effects on global climate change and the District's public climate commitments" in supervising and regulating energy utility companies in the District. The Climate Commitment Amendment Act of 2022, effective September 21, 2022 (D.C. Law 24-176; 69 DCR 9919), includes such a commitment. Specifically, section 2 of the law requires the reduction of greenhouse gas emissions from both public and private sources to achieve "a level consistent with carbon neutrality by 2045, and in each year thereafter" with aggressive interim benchmarks set for 2025, 2030, 2035, and 2040.

As you know, the District's gas distribution utility, Washington Gas Light Company, has asked the Commission to approve nearly \$672 million in customer surcharges over the next five years for the third phase of its accelerated pipeline replacement project. This plan, known as "PROJECTpipes," would rebuild the District's entire natural gas distribution system—at ratepayer expense—with a result that is incompatible with the aforementioned statutory mandates.

PROJECTpipes does not align with the new, fossil-free future that the Council has charted. To begin, the proposed overhaul of the gas distribution system will come at enormous expense for District residents. Ratepayers have already experienced a rate increase and, if this project were allowed to proceed, they would be subjected to additional surcharges. Moreover, these costs will not be borne by all residents equally; as more households replace outdated gas appliances with high efficiency electric appliances, these costs will be absorbed by residential gas customers who lack the resources to participate in that transition. Finally, given the District's efforts to electrify both public and private buildings, this investment will result in a rebuilt gas infrastructure system

that will soon be abandoned for more sustainable technology, or will continue to emit greenhouse gasses for years to come.

While the safety of the District’s gas distribution system is paramount during its operation, there are better ways to improve safety than by replacing the entire pipes network. For example, an expert study published in 2022 by the Department of Energy and Environment describes the results of case studies in seven of the District’s neighborhoods. The report made two important findings:

“[F]irst, the cost of pipeline replacement is on average 25 times the cost of pipeline repair. Second, as exemplified by the Woodridge leak repairs, finding and repairing the largest leaks can be a cost- and climate-effective approach to triage leak-prone pipes, save ratepayer money, and allow ratepayer funds to be allocated toward electrification.”

Furthermore, the federal Pipeline and Hazardous Materials Safety Administration is considering regulations requiring that operators more rapidly repair all pipeline leaks. These new regulations will likely require Washington Gas to invest more in repairing leaks. Together, the existence of alternatives to complete pipeline repair and the possible release of new regulations undermine the justification for the wholesale pipeline replacement project. Rather than proceeding with PROJECTpipes, we recommend that the Commission begin integrated, comprehensive thermal energy planning consistent with the carbon neutrality goals laid out in the Climate Commitment Amendment Act of 2022.

Thank you for your partnership in continuing your important regulation of the District’s public utilities as we consider the energy needs of District residents in an ever-worsening climate crisis.

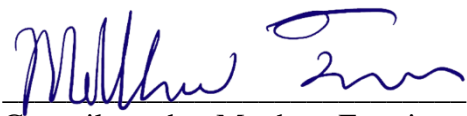
Sincerely,



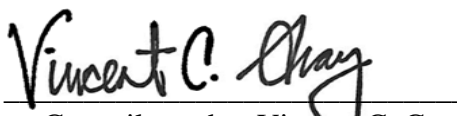
Chairman Phil Mendelson



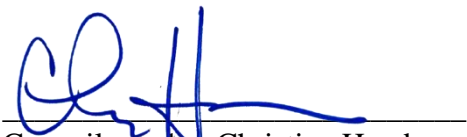
Councilmember Charles Allen



Councilmember Matthew Frumin



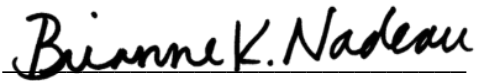
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Councilmember Christina Henderson



Councilmember Janeese Lewis George



Councilmember Brianne K. Nadeau



Councilmember Zachary Parker



Councilmember Brooke Pinto



Councilmember Robert C. White, Jr.

Copy: Mayor Muriel Bowser;

Richard Jackson, Director, Department of Energy and Environment

CERTIFICATE OF SERVICE

Formal Case No. ___, In the Matter of the Petition for Investigation into Washington Gas Light Company's System Leak Reduction Practices & Transparency

I certify that on February 13, 2024, a copy of the *Office of the People's Counsel for the District of Columbia's Petition for An Investigation into Washington Gas Light Company's Natural Gas Infrastructure*. was served on the following parties of record by hand delivery, first class mail, postage prepaid or electronic mail:

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