

**PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1325 G STREET, N.W., SUITE 800
WASHINGTON, D.C. 20005**

ORDER

February 23, 2024

**FORMAL CASE NO. 1154, IN THE MATTER OF WASHINGTON GAS LIGHT
COMPANY'S APPLICATION FOR APPROVAL OF PROJECTPIPES 2 PLAN,
Order No. 21960**

I. INTRODUCTION

1. By this Order, the Public Service Commission of the District of Columbia (“Commission”) grants Washington Gas Light Company’s (“WGL” or “Company”) Motion to extend the PROJECTpipes 2 Plan (“PIPES 2”) for twelve (12) months.¹

II. BACKGROUND

2. On December 11, 2020, the Commission approved a three-year PIPES 2 Plan with a spending cap of \$150 million. On November 6, 2023, WGL filed a Motion for Extension of the PIPES 2 Plan for one (1) year, to December 31, 2024, with a spending cap of \$57.3 million.² On November 16, 2023, the Office of the People’s Counsel for the District of Columbia (“OPC”) filed a Motion in Opposition to WGL’s Motion to Extend the PIPES 2 Plan.³ WGL filed a Motion for Leave to Reply and a Response on November 21, 2023.⁴ On December 1, 2023, the Apartment and Office Building Association of Metropolitan Washington (“AOBA”) filed a Response to WGL’s Motion for Leave to Reply and Response to Opposition to the Motion to Extend PIPES 2 Plan.⁵

¹ *Formal Case No. 1154, In the Matter of Washington Gas Light Company’s Application for Approval of PROJECTpipes 2 Plan (“Formal Case No. 1154”), Washington Gas Light Company’s Motion for Extension of the PROJECTpipes 2 Plan, filed November 6, 2023 (“Motion for Extension”).*

² *Formal Case No. 1154, Motion for Extension at 3-6.*

³ *Formal Case No. 1154, the Office of the People’s Counsel for the District of Columbia’s Motion in Opposition to Washington Gas’s Motion for Extension of PROJECTpipes 2 Plan, filed November 16, 2023 (“OPC’s Motion in Opposition”).*

⁴ *Formal Case No. 1154, Washington Gas Light Company’s Motion for Leave to Reply and Response to Opposition to Extend PROJECTpipes 2 Plan, filed November 21, 2023 (“WGL’s Reply and Response”).*

⁵ *Formal Case No. 1154, Apartment and Office Building Association of Metropolitan Washington’s Response to Washington Gas Light Company’s Motion for Leave to Reply and Response to Opposition to Motion to Extend PROJECTpipes 2 Plan, filed December 1, 2023 (“AOBA’s Response”).*

3. By Order No. 21940, the Commission held in abeyance WGL's request for an extension of PIPES 2.⁶ The Order directed WGL to supplement its Motion for Extension to include additional information on its pipe replacement activity from 2005-2023, on the leak and cost information, and support for its position on the need to maintain work crews at a particular level under an extension of PIPES 2.⁷ On January 4, 2024, WGL filed its Response to Order No. 21940.⁸ On January 8, 2024, the Commission issued a Notice to submit comments on WGL's Response.⁹ On January 8, 2024, Commissioner Beverly issued a notice depicting a series of charts to show the total miles and cost of pipe replaced by year; cost per mile of pipe replacement by year; and total leaks per year.¹⁰ On January 22, 2024, OPC and the District of Columbia Government ("DCG") filed comments to WGL's Response and Commissioner Beverly's Notice.¹¹ On January 17, 2024, WGL filed its response to Commissioner Beverly's Notice.¹² On January 23, 2024, AOBA and the Philadelphia-Baltimore-Washington Laborers' District Council ("PBWLDC") filed comments to the January 8th Notice.¹³

4. The Parties' previous arguments and positions were summarized in Order No. 21940. Therefore, the arguments will not be repeated here.

5. In the interim, on December 13, 2023, the Audit Report of PIPES 2 was filed.¹⁴ The Commission issued a Notice soliciting comments on Continuum Capital's Independent

⁶ *Formal Case No. 1154*, Order No. No. 21940, rel. December 20, 2023.

⁷ *Formal Case No. 1154*, Order No. 21940, ¶¶ 15-17.

⁸ *Formal Case No. 1154*, Washington Gas Light Company's Response to Order No. 21940, filed January 4, 2024 ("WGL's Response").

⁹ *Formal Case No. 1154*, Notice, rel. January 8, 2024 ("Notice").

¹⁰ *Formal Case No. 1154*, Commissioner Beverly Notice, filed January 8, 2024. *See*, D.C. Code § 34-802 for a Commissioner's authority.

¹¹ *Formal Case No. 1154*, Office of the People's Counsel for the District of Columbia's Comments on Washington Gas Light Company's Response to Order No. 21940, filed January 22, 2024 ("OPC's Comments"); *Formal Case No. 1154*, District of Columbia Government's Comments in Response to Public Notices Issued on December 22, 2023, and January 8, 2024, filed January 22, 2024 ("DCG's Comments").

¹² *Formal Case No. 1154*, Washington Gas Light Company's Response to Commissioner Beverly Notice, filed January 8, 2024 (WGL's Comments").

¹³ *Formal Case No. 1154*, Apartment and Office Building Association of Metropolitan Washington's Comments in Response to the Commission's Public Notice of January 8, 2024, filed January 23, 2024 ("AOBA's Comments"); *Formal Case No. 1154*, Philadelphia-Baltimore-Washington Laborers' District Council's Response to January 8th Notice, filed January 23, 2024 ("PBWLDC's Comments").

¹⁴ *Formal Case No. 1154*, Continuum's Independent Management Audit of Washington Gas and the PROJECTpipes 2 Program, filed December 13, 2023 ("Audit Report").

Management Audit Report results.¹⁵ WGL, OPC, DCG, and PBWLDC filed comments to the Audit Report on January 22, 2024.¹⁶ WGL filed Reply Comments on February 5, 2024.¹⁷

6. In addition, the Council of the District of Columbia filed a letter with the Commission in *Formal Case No. 1175* on February 7, 2024, expressing concern with PROJECTpipes and asking the Commission to consider implementing “integrated, comprehensive thermal energy planning consistent with the carbon neutrality goals laid out in the Climate Commitment Amendment Act of 2022.”¹⁸ OPC has also since filed a petition with the Commission to open an investigation into WGL’s gas infrastructure.¹⁹

III. DISCUSSION

A. WGL’s Response to Order No. 21940

7. In response to the Commission’s request for additional leak and cost information, WGL states that the total number of Grade 1 and Grade 2 repaired leaks peaked in 2019 but has declined by approximately 30% since that period.²⁰ WGL asserts that the Company immediately repairs Grade 1 Leaks as required by the U.S. Department of Transportation (“DOT”) Pipeline and Hazardous Materials Safety Administration (“PHMSA”) or by the Commission’s regulations and the Company’s internal requirements.²¹ Because the Grade 2 Leaks are not required to be repaired immediately, WGL asserts that the Company schedules the non-hazardous Grade 2 Leaks for repairs based on probable future hazards.²²

8. In support of WGL’s Motion for Extension requesting to maintain work crews at a particular level, WGL avers that holding the PIPES 2 Plan in abeyance affects work under construction. According to WGL, the continued crew growth over the past eight (8) years allowed the Company to secure the qualified resources necessary to perform the work identified in the 2024

¹⁵ *Formal Case No. 1154*, Notice, rel. December 22, 2023.

¹⁶ *Formal Case No. 1154*, Washington Gas Light Company’s Comments in Response to the Independent Management Audit Report, filed January 22, 2024; Office of the People’s Counsel for the District of Columbia’s Comments in Response to the Independent Management Audit Report, filed January 22, 2024; District of Columbia Government’s Comments in Response to the Independent Management Audit Report, filed January 22, 2024; and Philadelphia-Baltimore-Washington Laborers’ District Council’s Response to the Independent Management Audit Report, filed January 22, 2024.

¹⁷ *Formal Case No. 1154*, Washington Gas Light Company’s Reply Comments, filed February 5, 2024.

¹⁸ *Formal Case No. 1175*, *In the Matter of the Washington Gas Light Company’s Application for Approval of PROJECTpipes 3 Plan* (“*Formal Case No. 1175*”), Council of the District of Columbia Comments, filed February 7, 2024.

¹⁹ *GD-2024-01-G*, 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, filed February 13, 2024.

²⁰ WGL’s Response at 1.

²¹ WGL’s Response at 1.

²² WGL’s Response at 1-2.

PROJECTpipes 3 (“PIPES 3”) List filed on October 31, 2023, in *Formal Case No. 1175*, if PIPES 3 was approved.²³ WGL estimated the need for 29 qualified underground contractor crews to accomplish the work. WGL asserts that the PIPES 2 extension would allow the Company to continue to perform work while the Commission issued a final decision on its PIPES 3 Plan. Because no decision has been made in the PIPES 3 matter and there has been no extension of the PIPES 2 Plan, WGL states that it is offboarding qualified resource crews. **[BEGIN CONFIDENTIAL]** [REDACTED]

[END CONFIDENTIAL]

9. According to WGL, the Company and its contractors dedicated months/years of training and development to create qualified contractor crews to provide safe and reliable service to WGL’s customers, and once these skilled resources leave WGL’s system, they will likely work elsewhere.²⁵ WGL states that the Company will have to develop or identify new crews, and notes that the average time to progress from entry-level to lead can be four (4) to six (6) years. WGL states that once crews are off the system, it will take four (4) to five (5) years to onboard qualified resources at the current level the Company has reached.²⁶

10. In further support, WGL cites Continuum’s conclusion in the independent management audit report of the PIPES 2 Plan that found that “WGL implemented [PIPES 2] in a way that reduced risk and enhanced safety in its Washington D.C. service area” and that “WGL has demonstrated prudence in implementing [PIPES 2] projects regarding the reasonableness of actual costs.”²⁷ WGL maintains that the Company’s number one priority is the safety of the natural gas distribution system and that the Company will continue to meet PHMSA requirements to maintain the safety of the system. However, without the PROJECTpipes program, WGL will

²³ WGL’s Response at 2.

²⁴ WGL’s Response at 3. **[BEGIN CONFIDENTIAL]** [REDACTED]

[END CONFIDENTIAL]

²⁵ WGL’s Response at 3-4.

²⁶ WGL’s Response at 4. WGL notes that the Company, on average, has been able to retain two (2) to three (3) additional contractor crews per year qualified to meet the minimum hiring requirements and pass the OQ qualifications to perform the work.

²⁷ WGL’s Response at 5.

eliminate the accelerated replacement of higher-risk, leak-prone pipes.²⁸ WGL requests a twelve (12)-month extension of the PIPES 2 Plan.²⁹

B. DECISION

11. The Commission received extensive comments in response to WGL's motion for the extension of PIPES 2. Those comments mainly focused on the program's inadequacies, namely: (1) it is not accelerating pipe and service replacement; (2) it is expensive and not cost-efficient; (3) it is not well-designed or managed; (4) WGL's lack of clarity in reporting gas leaks; and (5) the program's alignment to the District's Clean Energy Commitments. PBWLDC was the lone exception and it spoke to the need to maintain work crews to perform this highly specialized work.³⁰

12. In Order No. 20671, the Commission directed WGL to replace 9.2 miles of main and 2,605 services during the first two years of the PROJECT*pipes* 2 program. The Commission notes that WGL has replaced approximately eleven (11) miles of main and remediated/replaced about 2,200 services during the first two (2) years of PROJECT*pipes* 2.³¹ The Commission acknowledges that WGL's total number of Grade 1 and 2 repaired leaks reported to PHMSA has declined by approximately 30% since 2019. The replacement of services is imperative to the overall safety and reliability of the gas system, as WGL maintains a significant number of high-risk services in the District. In addition to a risk-based accelerated mains replacement program, the Commission notes that service remediation and replacement has been a vital and mission-critical element of the PROJECT*pipes* initiative since the inception of the program, and the work on services cannot be disaggregated from the miles of main replaced. We also note that the proactive replacement of high-risk vulnerable main and service pipes reduces future greenhouse gas ("GHG") emissions.

13. While we recognize that the PROJECT*pipes* program requires adjustment, we are not prepared at this time to stop the pipe replacement work being accomplished through PROJECT*pipes*. The Commission continues to believe that "the safety of the public in accelerating replacement of gas pipelines that are leak-prone or of such age to be subject to

²⁸ WGL's Response at 5.

²⁹ WGL's Response at 5.

³⁰ *Formal Case No. 1154*, Office of the People's Counsel for the District of Columbia's Comments in Response to the Independent Management Audit Report, filed January 22, 2024; District of Columbia Government's Comments in Response to the Independent Management Audit Report, filed January 22, 2024; and Philadelphia-Baltimore-Washington Laborers' District Council's Response to the Independent Management Audit Report, filed January 22, 2024.

³¹ *Formal Case No. 1154*, Washington Gas Light Company's Response to Order No. 21940, filed January 4, 2024 ("WGL's Response") at Attachment A; *See also*, *Formal Case No. 1154*, Washington Gas Light Company's Annual Reconciliation Report for 2021, filed March 31, 2022; and *Formal Case No. 1154*, Washington Gas Light Company's Amended Year 8 Annual Project Reconciliation Report for 2022, filed April 13, 2023.

increased risk of leaks and/or failure is of paramount importance.”³² For now, we believe that the best course of action is to extend PIPES 2 and the surcharge for an additional twelve (12)-months through February 2025, to allow the high-risk accelerated-based pipe replacement program to continue addressing the District’s aging infrastructure that is most susceptible to pipe failure. Pipe failure could result in safety and reliability issues as well as increased GHG emissions. This extension period will allow the Commission to evaluate how we appropriately move forward with WGL’s request to continue replacing high-risk leak-prone aging infrastructure subject to increased risk of leaks and/or failure. Therefore, we will address the management audit, WGL’s PIPES 3 application, and OPC’s petition for an infrastructure investigation, in separate orders.³³ The safety and reliability of the natural gas distribution system is the Commission’s paramount responsibility, and any decision must be made after appropriate and informed deliberation that must consider, among other matters, pipe replacement based on the severity of safety risks, the risks of stranded assets resulting from electrification, and the District’s climate goals.

14. The Commission approves a surcharge eligible targeted spend of \$50 million for this twelve (12)-month extension for previously approved Programs 1, 2, 3, 4, 5, and 10 through PROJECT*pipes* 2. For services replaced through Programs 1, 3, and 5, the spending limit will be \$22.5 million, and for mains replaced through Programs 2, 3, and 4, the spending cap will be \$17.5 million during the extension period. For work performed under Program 10, the Commission approves a spending cap of \$10 million during the extension period.³⁴ As stated previously in Commission Order No. 20671, this restriction ensures Work Compelled projects do not disregard risk-based work. The Commission recognizes the concerns raised by the parties regarding Program 10 Work Compelled by Others and has reduced the spending cap on Program 10 and has increased the spending cap and targets to replace services through Programs 1, 3, and 5. This method will ensure that the focus remains on prioritizing and replacing the highest-risk pipes ahead of the construction schedule. The Commission expects that WGL will be able to replace 4.72 miles of main with an estimated 1,428 services, either remediated or transferred, using the spending limit of \$50 million, as explained earlier.

15. Consistent with the requirement prescribed in Order No. 20213, WGL shall continue working on Commission-approved PIPES 2 Plan projects that have not yet been

³² *Formal Case No. 1115, In the Matter of Washington Gas Light Company’s Request for Approval of a Revised Accelerated Pipe Replacement Plan*, Order No. 17789, ¶ 63, rel. January 29, 2015. The Commission notes that in our neighboring jurisdiction of Maryland, the Maryland General Assembly, has given the Maryland Public Service Commission (“MDPSC”) the authority to approve programs and cost recovery for replacement of aging infrastructure and maintaining safety and reliability of the gas distribution systems (“STRIDE”). See Case No. 9708 and PUA § 4-210.

³³ We note that the Management Audit: (1) provides recommendations for improvement of PROJECT*pipes*; (2) acknowledges that the executed projects are consistent with the annual project lists submitted by WGL to the Commission; (3) confirms that all PIPES 2 projects that were completed and being recovered through the surcharge mechanism reduced risk and enhanced safety; and (4) indicates that all projects were categorized into the appropriate program, and thereby enabled reduced risk and enhanced safety through the PIPES 2 program. See *Formal Case No. 1154*, Audit Report at 18.

³⁴ The \$10 million Program 10 Spending Cap is included in the total PIPES 2 approved surcharge recovery cap of \$50 million. If the spend on Program 10 is less than the cap amount, then the remaining spend can be used on other approved risk-based PIPES 2 programs.

completed or on new projects containing eligible pipe material under one of the previously approved PIPES 2 Plan programs within the Commission-approved spending limit. In addition, the Company shall continue to provide Association for the Advancement of Cost Engineering (“AAACE”) International Class 3 cost estimates for projects performed under this approved PIPES 2 Plan program extension.³⁵ WGL indicates that it plans to complete about \$33 million of active PIPES 2 projects previously initiated during the three-year approved program.³⁶

16. The Commission directs WGL to submit an annual Project List for this twelve (12)-month extension period (March 1, 2024, through February 28, 2025) within fifteen (15) days of the date of this Order.³⁷ The parties shall have fifteen (15) days to review and submit any objections to the annual project list submitted by WGL for the twelve-month extension period. The Commission expects WGL to include the risk scores/analysis and rankings from the Company’s risk model Optimain for all projects included in the Project List, including those selected via field observation or as part of Work Compelled by Others. The Commission understands that the Company is considering a new risk model, Jana Lighthouse.³⁸ If the Company has started evaluating the projects using the scores from the new risk model (Jana Lighthouse), WGL must provide the risk scores from both Optimain and Jana Lighthouse.

17. Any modifications to the twelve (12)-month extension Project List must satisfy the requirements outlined in Order Nos. 17500 and 20671. Within fifteen (15) days of the date of this Order, WGL is to file an Updated Current Factor for the twelve (2)--month extension period only (March 1, 2024, through February 28, 2025) allocated to the customer classes based on revenue increase by class, as approved in Order No. 21939 in *Formal Case No. 1169*.³⁹ In addition, the Commission directs WGL to continue filing the Construction Drawings and making customer education efforts consistent with the directives in Order No. 17789 during the twelve-month extension period. WGL must file a semiannual Project Reconciliation Report and Reconciliation Financial Factor for the twelve-month extension period by November 30, 2024, and a completed Project Reconciliation Report and Reconciliation Financial Factor for the twelve (12)-month extension period by May 30, 2025, including the required reporting on Work Compelled by Others

³⁵ *Formal Case No. 1115, Formal Case No. 1142, and Formal Case No. 1154*, Order No. 20213, ¶ 22, rel. September 5, 2019.

³⁶ *Data Request 1154*, Washington Gas Light Company’s Response to Staff Data Request No. 16, filed January 23, 2024.

³⁷ *Formal Case No. 1154*, Order No. 20671, ¶ 103(g), “[t]he annual project list shall be deemed approved for the projects for which no objections are filed by the deadlines prescribed herein, unless the Commission, *sua sponte*, seeks to review the qualifications of any projects on the list.” Throughout PIPES 2, there have been no challenges to the annual project lists.

³⁸ *Formal Case No. 1175*, Washington Gas Light Company’s Application for Approval of PROJECTpipes 3 Plan, Exhibit WG(B) Witness Stuber Direct at 1-10.

³⁹ *Formal Case No. 1169, In the Matter of the Application of Washington Gas Light Company For Authority To Increase Existing Rates And Charges For Gas Service (“Formal Case No. 1169”)*, Washington Gas Light Company’s Revised Compliance Filing, Attachment C, filed on January 9, 2024; *see also Formal Case No. 1169*, Order No. 21939, rel. December 22, 2023.

not included in Program 10, according to similar timeframes as directed in Commission Order No. 20671 and amended by Commission Order No. 20773.⁴⁰

THEREFORE, IT IS ORDERED THAT:

18. The Washington Gas Light Company's Response to Commission Staff's Data Request No. 16, filed January 23, 2024, is **ENTERED** into the record;

19. The Commission **GRANTS** Washington Gas Light Company's Motion for Extension of the PROJECT*pipes* 2 Plan subject to modifications described herein;

20. Washington Gas Light Company's PROJECT*pipes* 2 Plan is **EXTENDED** by twelve (12) months through February 28, 2025, with spending eligible for surcharge recovery not to exceed \$50 million in accordance with the requirements specified herein;

21. The Commission **DIRECTS** WGL to submit an annual Project List for this twelve (12)-month extension period (March 1, 2024, through February 28, 2025) within fifteen (15) days of the date of this Order;

22. The parties shall have fifteen (15) days to review and submit any objections to the annual project list;

23. Washington Gas Light Company **SHALL** file an Updated Current Factor for the twelve (12)-month extension period only, March 1, 2024, through February 28, 2025, allocated to customer classes based on revenue increase by class, approved in Order No. 21939 in *Formal Case No. 1169*, within fifteen (15) days of this Order; and

24. Washington Gas Light Company **SHALL** adhere to the reporting requirements specified in paragraphs 16 and 17 of this Order.

A TRUE COPY:

BY DIRECTION OF THE COMMISSION:



CHIEF CLERK:

**BRINDA WESTBROOK-SEDGWICK
COMMISSION SECRETARY**

⁴⁰ *Formal Case No. 1154*, Order No. 20671, ¶¶ 102, 131- 132, rel. December 11, 2020; and *Formal Case No. 1154*, Order No. 20773, ¶¶ 3, 4, rel. July 22, 2021 (“Order No. 20773”).

**PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1325 G STREET, N.W., SUITE 800
WASHINGTON, D.C. 20005**

February 23, 2024

**FORMAL CASE NO. 1154, IN THE MATTER OF WASHINGTON GAS LIGHT
COMPANY'S APPLICATION FOR APPROVAL OF PROJECT PIPES 2 PLAN**

DISSENT OF COMMISSIONER BEVERLY

WGL asked us to extend the Project *Pipes 2* Plan (“PIPES 2”) by an additional year, at a cost of \$57.3 million dollars for a program that the Commission has already authorized \$150 million of spending for over three years. We declined to grant that request without more information, specifically noting that WGL has the burden of establishing that an extension of PIPES 2 is justified. Once WGL submitted additional data, my Office prepared a series of charts to show the total miles and cost of pipe replaced by year; cost per mile of pipe replacement by year; and total leaks per year. I shared my charts with the parties so that a graphic depiction of the data could help all of us understand how the program has performed so far and whether an extension of the program would be in the public interest. Some parties responded by making their own charts, included below:

DCG:

Figure 1. Miles of pipe replaced, 2005 to 2023

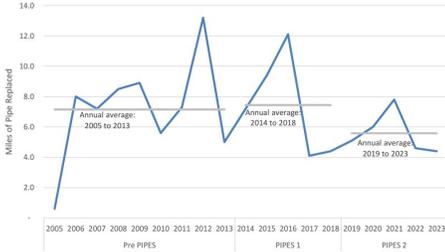


Figure 2. Miles of pipe replaced under normal operations, 1027, and PIPES, 2005 to 2023

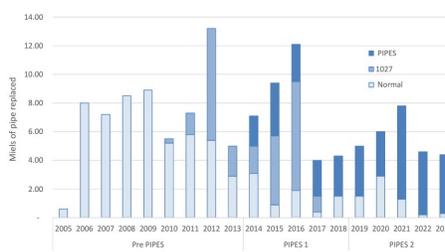


Figure 3. Number of services replaced, 2005 to 2023

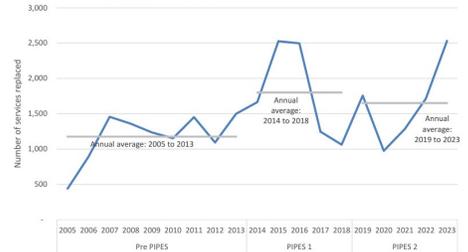


Figure 4. Spend on service replacements and pipe replacements, 2005 to 2023

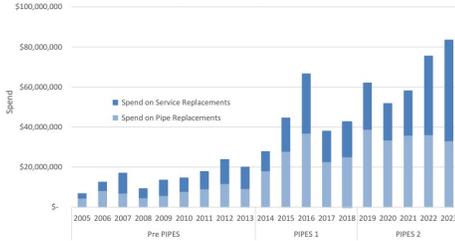


Figure 5. Spend per mile of pipe replaced, 2005 to 2023

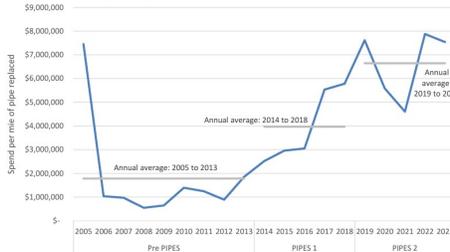
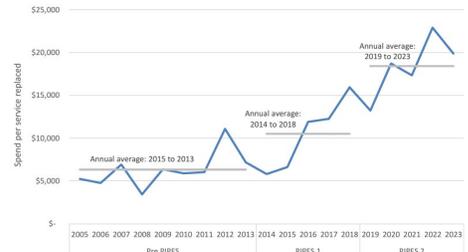
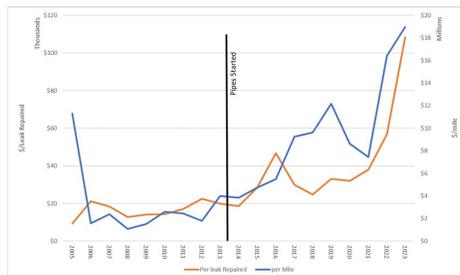


Figure 6. Spend per service replaced, 2005 to 2023



OPC:



WGL:

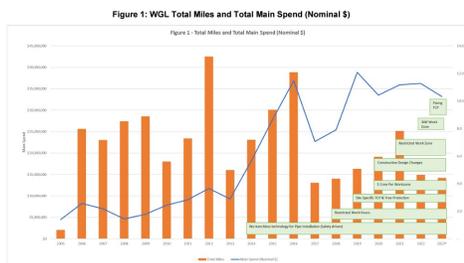


Figure 1: WGL Total Miles and Total Main Spend (Nominal \$)



Figure 3: WGL Cost Per Mile of Main (Nominal \$)

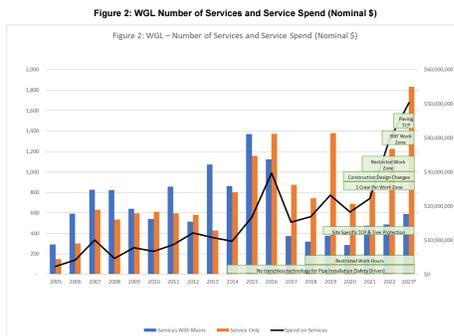


Figure 2: WGL Number of Services and Service Spend (Nominal \$)

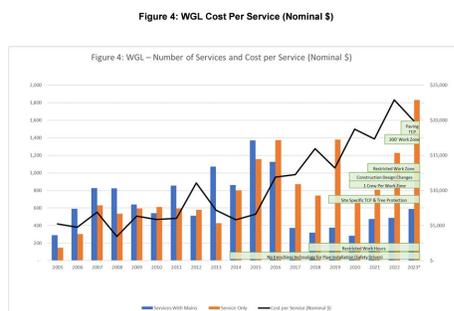


Figure 4: WGL Cost Per Service (Nominal \$)

DCG went further and asked its consultant, Synapse Energy Economics, to examine the data and provide an opinion. Synapse specifically found that PIPES 2: Is not accelerating pipe and service replacement; Is expensive and may not be cost effective relative to alternatives and; Is not well designed and managed. Synapse pointed out that the normal pipes replacement program has been largely subsumed under the more expensive Pipes program even though “normal replacement is meant to address active leaks and accelerated pipe replacement is meant to avoid future leaks. The Pipes program was never intended to completely supersede WGL’s replacement/repair duties under normal operations.”¹

OPC’s observations largely echoed those of DCG. Specifically, OPC states that between 2006 through 2013, the cost per mile for pipe replacement stayed close to \$4 million. OPC goes on to state: “In recent years, particularly over the course of PIPES 2, the costs have risen to over four times that amount. This is not a slight or gradual increase but a dramatic one that began to take shape in 2014 when the first phase of PROJECTpipes, PIPES 1, was approved. While costs decreased briefly from 2019 to 2021, they still remained much higher than in the years preceding PROJECTpipes. Moreover, in 2021, during PIPES 2, pipe replacement costs saw the steepest increase than at any other time. Similarly, the cost for WGL to repair leaks along its distribution system has seen a steep increase since the implementation of PROJECTpipes, particularly since the approval of PIPES 2. Since 2021, these costs appear to have risen at a near exponential rate.

¹ *Formal Case No. 1154, The District of Columbia Government’s Comments in Response to Public Notices Issued on December 22, 2023 and January 8, 2024. January 22, 2024. Pp. 1-2.*

Leak repair under PIPES 2 was more costly and less efficient than it was under PIPES 1 or during the eight years preceding PROJECTpipes.”²

AOBA adds that the PIPES 2 plan has provided few, if any, benefits that the District of Columbia could not have experienced in the absence of the plan. According to AOBA: “PROJECTpipes was intended to provide accelerated replacement of aging, leak-prone pipe in the District of Columbia. Yet, to date precious little has been accomplished. Instead, WGL’s District of Columbia distribution system lags well behind the rest of the industry in terms of its pipe replacement accomplishments. Moreover, with PROJECTpipes in place, WGL has essentially abandoned normal pipe replacement activity. Regardless of the cost recovery mechanism provided by the Commission for WGL’s pipe replacement expenditures, the Company has an obligation to maintain safe and reliable service. In addition, Washington Gas continues to report hazardous leak rates that are among the highest in the industry and Unaccounted-For Gas (“UFG”) rates that are among the worst in the industry. The Commission’s authorization of PROJECTpipes and WGL’s Pipes 2 Plan has rendered little discernible improvement in these areas.”³

Several public stakeholder comments were filed, including from Advisory Neighborhood Commission 3A, echoing the concerns raised by DCG, OPC, and AOBA, and alleging that continuing to fund WGL’s “business as usual” approach to pipe replacement is at odds with the District’s climate mandates.⁴

In reviewing WGL’s request, I am guided by D.C. Code §34-1101 which states that “[t]he charge made by any public utility for a facility or service furnished, rendered, or to be furnished or rendered, shall be reasonable, just and nondiscriminatory.” After reviewing all of the information, I am not persuaded that the cost of extending Project Pipes 2 is just and reasonable or otherwise in the public interest.⁵ Therefore, I must respectfully dissent from the majority opinion.

² *Formal Case No. 1154*, The Office of People’s Counsel’s Comments on Washington Gas Light Company’s Response to Order No. 21940. January 22, 2024. Pg. 8.

³ *Formal Case No. 1154*, Comments of the Apartment and Office Building Association of Metropolitan Washington in Response to the Commission’s Public Notice of January 8, 2024. January 23, 2024. Pg. 2.

⁴ Comments were received from: Emily Fournier, Sarah Stern, Denise Schlener, Larry Martin, Matthew Erickson, Rachel Gorlin, Sara Mosenkis, J.M. Hiatt, Anne deBuys, Nathan Harrington, Tom Quinn, Jim Schulman, Phillip Collins, Elizabeth Berry, John Curtis, Kristin McKinney, Louis Fischer, Laurent Ross, Jane Broendel, Evelyn Fraser, Jane Schmitz, D Bello, Desta Beyebe, Leonard Rubin, Marc Azar, Kathleen Robertson, Margaret Staines, Cara Fulton, Yael Flusberg, Nancy Baillie, Doug Barker and Sam Kilpatrick, Cara Spencer, Adam Richards, Xandra Coleman, Peter Weiss, Lara Levison, Ewan Plant, Traci Lindsay, Dixcy Bosley, Marie Therese Kane, Gail Atnall, Jeffrey Kursonis, Karen Slaney, Catharine Ferguson, Anita Beier, Bryan Detchon, LaTricea Adams, ANC 3A, Kate Bockover, Jackie Wright, Matthew Gravatt, Federico Asch, Claire Mills, Selah Goodson Bell, Bakari Wilkins, Advait Arun, Hayden Duncan, Allyson Shaw, Jean Stewart, Tra Sacks, Christine Jackson, Maureen James, Benjamin Wollam, Ann Lane Mladinov, Matthias Paustian, Toni Evans, Nathan Jeffay, Bonny Lundy, Anne Cauman, Martin White, Mary Alice Levine, Caiwei Zhang, Thanh Nguyen, Tracy Katsouros, Adam Powers, Nanci Wilkinson, Imran Vittachi, Marney Bruce, Marcie Cohen, Lauren Worth, Elizabeth Steenrod, Vivek Maru, Kimmie Ross, Tran Hoang, Samantha Bolte, Lynne Mersfelder-Lewis, Paula Hirschhoff, Marja Hilfiker, Erin Kitchell, Denise Robbins, Jacquelyn Helm, Scott Williamson, Max Broad, Gail Sonnemann, Charlotte Brock, Joelle Rudney, Charles Ellis, Ben King, Joanne Axtmann, Sean Chalk, Mark Rasmuson, Brian Levy, Debra M. Fox, Dierdre Joy, Gabrielle Walton, Angie Lai, Catherine Allen, Kathryn Blanco, and Jill Meek.

⁵ I have not seen evidence that the cumulative avoided GHG emissions from this program represent a meaningful reduction in WGL’s overall footprint, nor that the GHG reduction is cost-effective.