



February 29, 2024

VIA ELECTRONIC FILING

Brinda Westbrook-Sedgwick
Commission Secretary
Public Service Commission
of the District of Columbia
1325 G Street, NW, Suite 800
Washington, DC 20005

Re: Formal Case No. GD-2024-01-G, In the Matter of the Petition for Investigation into Washington Gas Light Company’s System Leak Reduction Practices & Transparency

Dear Brinda Westbrook-Sedgwick:

Sierra Club strongly supports the D.C. Office of People’s Counsel (“OPC”)’s request for the Public Service Commission (“PSC” or “Commission”) to conduct a formal investigation into Washington Gas Light Company (“WGL”)’s leak reduction practices.¹ It is important to track how WGL handles gas leaks based on concerns that have been raised about mismanagement of leaks and miscalculation of the impacts of its pipeline replacement efforts. More fundamentally, because a continued reliance on the combustion of hydrocarbons in an inherently leaky gas system will result in greenhouse gas emissions in contravention of D.C. climate law, the Commission should heed the D.C. Council’s directive to cease *PROJECTPipes* and take steps to begin decommissioning the gas system.

Currently available data suggest that WGL may be mishandling gas system leaks, despite the hundreds of millions of dollars that WGL is sinking into replacing gas infrastructure, which is in tension with cost-effective achievement of DC’s climate mandates. Thus far, WGL has failed to meet its Grade 2 leak reduction targets for several years, resulting in the payment of over \$2 million in fines pursuant to the WGL-AltaGas merger agreement.² Additionally, as OPC reports in its request for an investigation, Grade 1 leaks are on the rise in WGL’s service territory.³

¹ See *Formal Case No. GD-2024-01-G, In the Matter of the Petition for Investigation into Washington Gas Light Company’s System Leak Reduction Practices & Transparency*, Office of People’s Counsel Petition for An Investigation into Washington Gas Light Company’s Natural Gas Infrastructure [hereinafter “Petition”], filed Feb. 13, 2024.

² See *Formal Case No. 1167, In the Matter of the Implementation of the Climate Business Plan (“Formal Case No. 1167”)*, Sierra Club Comments to WGL Filings at 27, filed July 1, 2022.

³ Petition at 5.

WGL’s current proposal to spend an additional \$671.8 million on leak-prone pipes through its third phase of PROJECT*pipes* raises critical questions about the best approach to addressing a leaky system. While some potentially hazardous or environmentally significant leaks may require immediate remediation, there is evidence in the District that non-pipeline alternatives and targeted repairs of leaking pipes would be more cost-effective than wholesale pipeline replacements. For example, an analysis conducted by the D.C. Department of Energy and Environment (“DOEE”) in December 2022 revealed that “the one-time cost of [pipeline] repairs to ratepayers” is “between *one tenth and one hundredth* of the cost of pipeline replacement.”⁴ Further, PROJECT*pipes* is in strong tension with cost-effective achievement of D.C.’s climate laws, which require that D.C. reduce its greenhouse gas emissions 60% by 2030 and shift toward powering the District’s buildings with clean electricity rather than gas.⁵ This concern is clearly outlined in Sierra Club’s comments on the PROJECT*pipes* 3,⁶ OPC’s request for an investigation,⁷ and the D.C. Council’s recent letter expressing serious concerns over PROJECT*pipes*.⁸

WGL has also failed to persuasively substantiate the greenhouse gas emission benefits of its massive investments in proactive pipe replacement. WGL had initially estimated that PROJECT*pipes* saved 22,000 metric tons of CO₂-equivalent emissions in December 2021,⁹ but in March 2022, WGL downgraded that estimate to 18,000 metric tons.¹⁰ By October 2022, WGL reduced this value to 12,000 metric tons of CO₂-equivalent emissions—*nearly half* of its original estimate of 22,000 metric tons.¹¹

WGL’s continued spending on pipeline replacements is not only prone to mismeasurement, but is also risky for its ratepayers and the District as a whole. Accordingly, Sierra Club strongly urges the PSC to grant OPC’s request and initiate a comprehensive investigation into WGL’s leak reduction practices.

Continued for signature

⁴ D.C. Pub. Serv. Comm’n Case No. FC 1175, *WGL’s Application for Approval of PROJECTpipes 3 Plan*, D.C. Dep’t of Energy & Env’t, *Strategic Electrification in Washington, D.C.: Neighborhood Case Studies of Transition from Gas to Electric-based Building Heating* at 6 (Dec. 14, 2022) (emphases added).

⁵ See D.C. Law 24-176 (2022).

⁶ Formal Case No. 1175, *In the Matter of Washington Gas Light Company’s Application for Approval of PROJECTpipes 3 Plan*, Sierra Club’s Initial Comments, filed June 16, 2023.

⁷ Petition at 4.

⁸ Council of the District of Columbia, *Letter Re: The Future of the District’s Gas Distribution Network* (Feb. 7, 2024).

⁹ *Formal Case No. 1167*, Washington Gas Light Company’s Climate Change Action Plan – Part 1 at 40, filed December 15, 2021.

¹⁰ See *Formal Case No. 1167*, WGL’s Response to SC DR 1, at No. 1-9, Attachment 2.

¹¹ *Formal Case No. 1167*, Revision to Climate Change Action Program – Part 1, filed Oct. 26, 2022.

Sincerely,



Susan Stevens Miller
Senior Attorney, Clean Energy Program
Earthjustice
D.C. Bar No. 1026066
On behalf of Sierra Club

CC:

Laurence C. Daniels, Esq. - Director of Litigation

Ankush Nayar, Esq. - Assistant People's Counsel

Christopher Lipscombe, Esq. Public Service Commission

Cathy Thurston-Seignious, Esq. Washington Gas Light Company

Frann G. Francis, Esq., Senior Vice President & General Counsel Apartment and Office Building

Association of Metropolitan Washington

Brian R. Caldwell, Esq. Assistant Attorney General Office of the Attorney General