

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

ORDER

November 26, 2025

**FORMAL CASE NO. 1154, IN THE MATTER OF WASHINGTON GAS LIGHT
COMPANY’S APPLICATION FOR APPROVAL OF PROJECTPIPES 2 PLAN, Order No.
22746**

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 for Extension of PROJECTpipes 2 (“PIPES 2”)¹ until June 30, 2026. An updated Year 10 Annual Project List shall be filed by January 16, 2026.

II. BACKGROUND

2. By Order No. 20671, the Commission approved the PIPES 2 accelerated replacement program for an initial period, January 1, 2021, through December 31, 2023, with a spending cap of \$150 million.² On December 22, 2022, WGL filed a proposal for the third iteration of the accelerated pipe replacement program, labeled “PROJECTpipes 3” (“PIPES 3”).³ In the interim, the Commission directed the first extension of PIPES 2 through February 28, 2025.⁴ By Order No. 22003, the Commission rejected WGL’s PIPES 3 proposal, directing WGL to instead file a new plan that demonstrates “greater cost effectiveness”, reflects “lessons learned during the first 10 years of PIPES”, and “narrowly focus[e]s on the aging high-risk pipe segments that are highly susceptible to leaks”, among several other requirements.⁵ On September 27, 2024, WGL filed a new accelerated pipe replacement proposal pursuant to Order No. 22003, now named the District Strategic Accelerated Facility Enhancement Plan (“District SAFE”), in *Formal Case No. 1179*.

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*”); and *Formal Case No. 1179, In the Matter of the Investigation into Washington Gas Light Company’s Strategically Targeted Pipe Replacement Program* (“*Formal Case No. 1179*”), Washington Gas Light Company’s Motion for Further Extension of the PROJECTpipes 2 Plan, filed October 15, 2025 (“WGL Motion”).

² *Formal Case No. 1154*, Order No. 20671, ¶¶ 1, 115-117, rel. December 11, 2020.

³ *Formal Case No. 1175, In the Matter of Washington Gas Light Company’s Application for Approval of PROJECTpipes 3 Plan*, Washington Gas Light Company’s Application for Approval of PROJECTpipes 3 Plan, filed December 22, 2022.

⁴ *Formal Case No. 1154*, Order No. 21960, ¶¶ 14, 19.

⁵ *Formal Case No. 1179*, Order No. 22003, ¶¶ 49-51, rel. June 12, 2024 (“Order No. 22003”).

3. By Order No. 22317 on October 24, 2024, the Commission granted the Office of the People’s Counsel for the District of Columbia (“OPC”) and the District of Columbia Government’s (“DCG”) Motion for Enlargement of Time to File Direct Testimony in *Formal Case No. 1179*, also extending PIPES 2 until April 30, 2025, to accommodate.⁶ The procedural schedule of *Formal Case No. 1179* was further extended via Order No. 22367, along with the PIPES 2 plan, now set to lapse after December 31, 2025.⁷ An evidentiary hearing on the District SAFE Plan is currently scheduled for December 9, 2025.⁸

4. On October 15, 2025, WGL filed its Motion for Further Extension of PIPES 2, requesting an extension for the PIPES 2 program and surcharge through June 30, 2025.⁹ On October 24, 2025, Sierra Club, DCG, and OPC filed a Joint Motion for Enlargement of Time to respond to WGL’s Motion to Extend PIPES 2, granted through Order No. 22732 on October 31, 2025.¹⁰ The Joint Movants then filed a Response to the Motion for Extension on November 7, 2025.¹¹ From October 28 – November 19, 2025, the Commission also received comments from District residents responding to WGL’s Motion for Extension.¹²

5. On October 31, 2025, WGL filed the PIPES 2 Year 11 Annual Project List.¹³

III. DISCUSSION

A. Motion for Extension

⁶ *Formal Case No. 1179*, Order No. 22317, ¶¶ 1, 13-14, rel. October 24, 2024.

⁷ *Formal Case No. 1179*, Order No. 22367, rel. February 19, 2025 (“Order No. 22367”).

⁸ *Formal Case No. 1179*, Order No. 22716, rel. September 15, 2025.

⁹ WGL Motion at 1.

¹⁰ *Formal Case No. 1154*, Joint Motion for a Brief Enlargement of Time to Respond to Washington Gas Light Company’s Motion for Further Extension of the PROJECTpipes 2 Plan, filed October 24, 2025; *see also Formal Case No. 1154*, Order No. 22732, rel. October 31, 2025.

¹¹ *Formal Case No. 1154*, Office of the People’s Counsel for the District of Columbia, District of Columbia Government, and Sierra Club’s Joint Response to Washington Gas Light Company’s Motion for Further Extension of the PROJECTpipes 2 Plan, filed November 7, 2025 (“Joint Response”).

¹² A number of District residents filed comments indicating their opposition to the extension of PIPES 2, including Zander Pellegrino; Denise Curry; Carlin and Chris Anderson; Louis Fischer; Leonard Rubin; Emma Miniscalco; Doug Barker; Bruce Simons Morton; Holly Pollinger; Ian Clasbey; Elizabeth Touma; Rita Collins; Helen Epps; Evelyn Fraser; John Curtis; Liz Kendall; Eileen Nakahata; Shelley Martin; Rachel S [sic]; Noam Stopak; Mel Laskowski; Ayla Frost; Fred Dobb; Paula Hirschhoff; Sydney Bronaugh; Christopher Bangs; Victoria Garrison; Anne deBuys; Cara Fulton; Anne Stauffer; Francine Raizes; JM Hiatt; Claire Hacker; Victor Ke, and K.M.. *See Formal Case No. 1179*, Responses to WGL’s Motion for Extension of PROJECTpipes 2, filed October 28 – November 19, 2025 (“District Resident Comments”).

¹³ *Formal Case No. 1154*, Washington Gas Light Company’s PROJECTpipes 2 Year 11 Annual Project List, filed October 31, 2025 (“2026 Project List”).

6. WGL requests an extension of PIPES 2 to June 30, 2026, to “ensure the continuation of [its] replacement work, without interruption, and to provide adequate time for the Company to secure qualified contractor crews.”¹⁴ WGL states that no party will be prejudiced by this extension because it is proposing to work on replacement projects that have either already been approved by the Commission or are eligible pipe material under one of the approved PIPES 2 programs.¹⁵ WGL argues that a delay or absence of extension would not be in the public interest, causing qualified gas construction crews to be redeployed elsewhere, and hindering WGL’s responsibility to provide safe and reliable gas service in the District.¹⁶ The Company asserts that even “a short-term lapse in authorization for the accelerated replacement program will have long-term consequences, contravening the Commission’s repeatedly acknowledged ‘paramount responsibility’ of ensuring system safety.”¹⁷

7. WGL has requested Commission approval of a maximum of \$32.5 million in surcharge-eligible expenditures to extend the PIPES 2 plan for six months, from January 1 – June 30, 2026, proposing work on both new and in-progress projects.¹⁸

8. OPC, DCG, and Sierra Club jointly respond to the Motion arguing WGL does not provide a sufficient basis for the fourth extension of PIPES 2 pipe replacements and spending, stating the Commission “has recognized the need to move beyond PIPES 2.”¹⁹ The Joint Responders assert WGL has failed to present substantial evidence to justify this latest extension, unlike previous extension requests.²⁰ The parties are also unable to evaluate whether WGL has met the Commission’s previous directives regarding miles of mains and service line replacements, as the Company’s last Reconciliation Report was filed in December 2024.²¹ However, the Commission “has recognized a long history of WGL failing to meet expectations under its PIPES 2 replacement program,”²² and WGL should not be allowed “free rein” to continue PIPES 2 indefinitely.²³

9. Finally, the parties assert that WGL does not require surcharge recovery to maintain

¹⁴ WGL Motion at 5.

¹⁵ WGL Motion at 5.

¹⁶ WGL Motion at 6-7.

¹⁷ WGL Motion at 6.

¹⁸ WGL Motion at 5.

¹⁹ Joint Response at 2.

²⁰ Joint Response at 7.

²¹ Joint Response at 8.

²² Joint Response at 8.

²³ Joint Response at 8.

the safety and reliability of the gas distribution, as this is the Company's primary obligation. The parties further assert WGL's request for \$32 million is an over 27% increase from prior approved periods and demonstrates that WGL has failed to contain costs associated with pipe replacement.²⁴

10. A number of District residents filed comments opposing the extension of PIPES 2, calling the plan "an expensive, inefficient use of my money as a ratepayer", and argued that the "over budget and behind schedule project should be reevaluated, not repeatedly reauthorized."²⁵ The stakeholders request the Commission instead evaluate the District SAFE plan to determine the future of accelerated pipeline replacement, and "pursue thermal planning to create a comprehensive plan for safer thermal energy in the District for everyone."²⁶

B. WGL Annual Project List through June 2026

11. The Company filed a proposed Year 11 2026 Annual Project List on October 31, 2025, in support of the Motion for Extension. WGL submitted a full calendar year of projects and explains in the filing that the Company intended to tailor 2026 scheduled work to the six months requested in the Motion for Extension.²⁷ The Project List contains 164 projects with an anticipated spend of \$65 million for all projects, using Class 3 estimates, with some exceptions as noted in the 2026 Project List. WGL states the Company intends to use Advanced Leak Detection methods to assist in further prioritization of projects.²⁸

IV. DECISION

A. Motion for Extension

12. In *Formal Case No. 1179*, the Commission is evaluating whether to approve District SAFE, a new, more targeted pipe replacement plan in place of continuing PIPES 3. For various reasons, the Commission's review of WGL's Application in that case has been delayed and proceedings will continue into early 2026. As we stated in opening *Formal Case No. 1179*, the Commission is "acutely aware of the District's aging gas system and is concerned that without intervention, that system will continue to degrade, and leak rates would be expected to grow."²⁹ The Commission simply "cannot allow the system to deteriorate unabated."³⁰

13. We are persuaded that it is necessary to extend PROJECT*pipes* 2 for a limited

²⁴ Joint Response at 10.

²⁵ See District Resident Comments at 1.

²⁶ See District Resident Comments at 1.

²⁷ 2026 Project List at 1.

²⁸ 2026 Project List at 2.

²⁹ *Formal Case No. 1179*, Order No. 22003, ¶ 47.

³⁰ *Formal Case No. 1179*, Order No. 22003, ¶ 47.

period while the Commission's decision in *Formal Case No. 1179* is pending resolution. We continue to believe accelerated replacement of cast iron, bare and unprotected steel, and other high-risk pipes and services best serves the public by removing crumbling, leak-prone underground facilities from a densely-populated urban environment like the District. Ending PIPES 2 before we have issued a decision in District SAFE would undermine the continued replacement of these types of high-risk pipelines, and critical, already-approved work should be completed to ensure system safety and reliability. Further, absent an extension, the Company has indicated it will begin redeploying or releasing qualified gas construction crews.³¹ The Commission is sensitive to both the loss of Operator Qualified technicians not easily replaced, as well as the prospect of layoffs of District workers during a stressed economy. Avoiding workflow disruption will also allow seamless permitting, customer notification, and construction of ongoing remediations.

14. Through Commission Order No. 22367, we directed WGL to replace a total of 8.72 miles of main and an estimated 2,628 services, either remediated or transferred, for the twenty-two (22)-month extension period from February 24, 2024, to December 31, 2025.³² According to the most recent Reconciliation Report submitted on December 2, 2024, WGL has replaced 2.4 miles of main and 461 services during that extension as of August 2024.³³ In response to Commission Staff's *Data Request No. 21*, issued October 17, 2025,³⁴ WGL indicated approximately 1.8 miles of main and 217 services from the Year 10 2025 Annual Project Lists³⁵ remain to be completed.³⁶ The Commission will fully evaluate WGL's performance toward the complete 22-month targets upon receipt of the 2025 PIPES 2 Project Reconciliation Report, expected in March 2026. The Commission also directs the Company to file a final PIPES 2 Reconciliation Report following the expiration of this extension period.

15. While WGL has requested up to \$32 million for the extension period, including new projects, in the Response to Commission DR No. 21 WGL reported a \$24.5 million cost-to-complete work on the remaining projects in the 2025 Project List.³⁷ In addition to project estimates, WGL has identified four major cost variance drivers to the accelerated pipe replacement plan: permitting; labor costs and inflation; jurisdictional paving limits; and unexpected field

³¹ WGL Motion at 6.

³² *Formal Case No. 1179*, Order No. 22367, ¶ 30.

³³ *Formal Case No. 1154*, Washington Gas Light Company's Year 10 Semi-Annual Reconciliation Report, filed December 2, 2024. Previous Reconciliation Reports indicate that in total, WGL has replaced 18.6 miles of main and 4,572 services throughout PIPES 2, up to August 2024.

³⁴ *Data Request 1154*, Commission Staff's Data Request No. 21, issued October 17, 2025 ("Commission DR No. 21").

³⁵ *Formal Case No. 1154*, Washington Gas Light Company's Year 10 Extension – Revised Project List, filed July 2, 2024, Year 10 Second Extension Project List, filed November 8, 2024, and Updated PIPES 2 Project List, filed March 6, 2025 ("2025 Project Lists").

³⁶ *Data Request 1154*, WGL Response(s) to Commission Staff's Data Request No. 21, filed October 31, 2025, and November 3, 2025 ("WGL Response to DR-21").

³⁷ See WGL Response to DR-21.

conditions.³⁸ In anticipation of these continuing conditions, and consistent with previous extension spending limits and WGL's Project Lists, we authorize up to \$25 million in additional spending towards the completion of already-approved projects for the January 1 – June 30, 2026 extension period.

B. WGL Annual Project List through June 2026

16. In support of the Motion for Extension, WGL filed the 2026 Project List for continuing and new projects throughout 2026. To ensure work during the extension period does not begin on Projects that may not be eligible for surcharge treatment at the time of their completion, we direct WGL to limit construction and surcharge recovery to projects already approved as part of the 2025 Project Lists.³⁹ No new projects shall be included in the surcharge during this six-month extension period. This approach addresses the Joint Respondents' concerns⁴⁰ regarding costs and performance issues by limiting spending and preventing new projects. For the six-month extension to June 2026, the Commission expects WGL will complete the remaining two (2) miles of main and 200+ services remediated or replaced from the 2025 Project List.⁴¹ An updated 2025 Project List shall be filed by the Company by January 16, 2026, providing the status of outstanding projects, projected completion dates, and estimated costs.

THEREFORE, IT IS ORDERED THAT:

17. Washington Gas Light's Motion for Extension of PROJECTpipes 2 is **GRANTED in part**;

18. PROJECTpipes 2 is **EXTENDED** from December 31, 2025, to June 30, 2026, with a surcharge eligible spending level of \$25 million, and limited to projects from the Year 10 Annual Project Lists, as provided in paragraphs 15-16;

19. Washington Gas Light Company **SHALL** file an update to the *Formal Case No. 1154 PIPES 2 Year 10 2025 Annual Project Lists* by January 16, 2026, as provided in paragraph 16; and

³⁸ *Formal Case No. 1180, In the Matter of the Application of Washington Gas Light Company for the Authority to Increase Existing Rates and Charges for Gas Service ("Formal Case No. 1180")*, WGL(P) at 19:5-20 (Murphy Supplemental Direct Testimony), filed August 8, 2025.

³⁹ 2025 Project Lists; *see also Formal Case No. 1154*, Order No. 22697, rel. August 5, 2025, and *Formal Case No. 1154*, Order No. 22720, rel. October 1, 2025.

⁴⁰ While the parties assert PIPES 2 is "over budget and behind schedule" and costs have been "mismanaged", we reiterate that by Order No. 22003 the Commission accepted the findings of the Continuum Management Audit, which found that "WGL completed the projects prudently, with sound engineering judgment, and constructional integrity...the work WGL performed reduced the risk, leaks, and improved safety within the District." *Formal Case No. 1179*, Order No. 22003, ¶ 1. In WGL's recent rate case, we specifically found that "[o]ur review supports the conclusion of the PROJECTpipes 2 Audit Report that WGL's projects were appropriately managed with sound engineering judgment and were prudently incurred." *Formal Case No. 1180*, Order No. 22741, rel. November 20, 2025.

⁴¹ *See also* WGL Response to DR-21.

20. Washington Gas Light Company **SHALL** file a Reconciliation Report on the complete PROJECT *pipes 2* following the end of the expiration period.

A TRUE COPY:

BY DIRECTION OF THE COMMISSION:

A handwritten signature in black ink, reading "Brinda Westbrook-Sedgwick". The signature is written in a cursive, flowing style.

CHIEF CLERK:

**BRINDA WESTBROOK-SEDGWICK
COMMISSION SECRETARY**

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

November 26, 2025

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

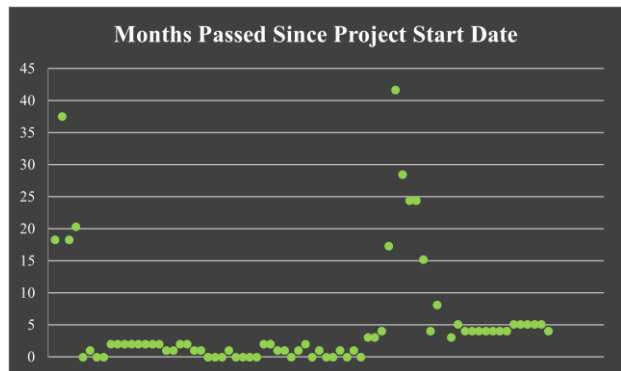
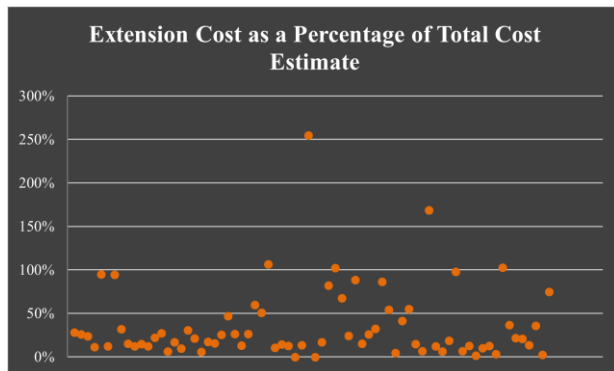
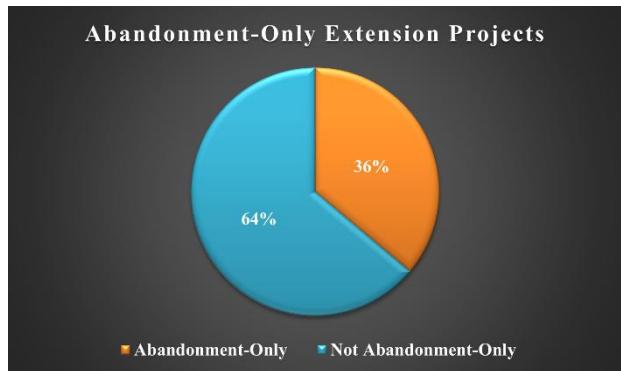
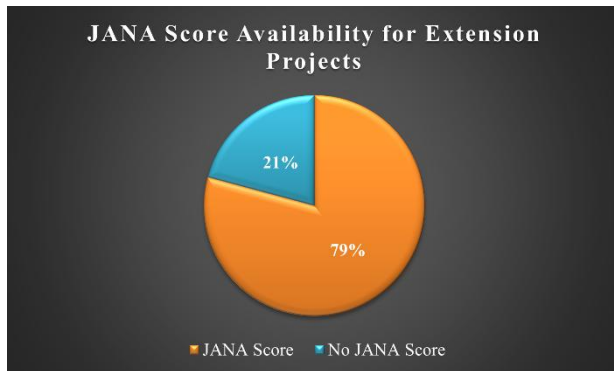
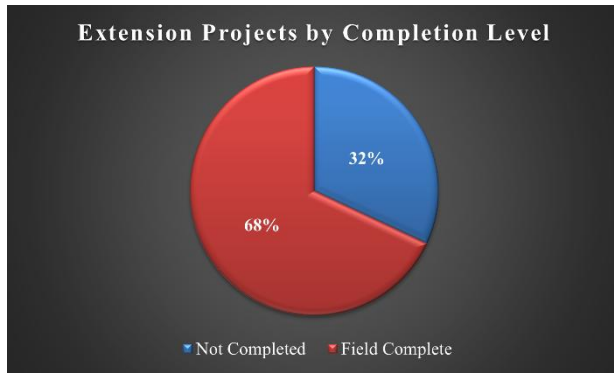
DISSENT OF COMMISSIONER BEVERLY TO ORDER NO. 22746

This is the fourth extension of Project Pipes 2. I have dissented from every past extension, and I feel compelled to do the same here.

OPC, Sierra Club, and DCG note that WGL has the burden to show that extending this program is in the public interest, not just in its own interest, but has essentially offered no evidence at all. WGL's request apparently rests on the belief that the stopgap approach offered by the extension, even if imperfect, is better than nothing. However, I need a better justification than that, especially considering the cost.

According to information in the Company's response to a Staff data request, the extension covers ninety-one projects. According to WGL's filing, these projects are for 2 miles of main and 279 services, costing a staggering \$24.5 million. My office undertook additional analysis. Of the ninety-one projects, sixteen were closed in 2025 and three have no data, so my office has excluded those projects from our analysis. We then cross-referenced the remaining seventy-two projects with WGL's prior pipe list filings. Forty-nine of the seventy-two projects have no pipe left to replace but have a budget of \$5.9 million to be levied on ratepayers through the surcharge (including \$1.9 million for abandonment-only projects). WGL's filing contains the following blanket statement for each completed project: "Project is field complete but will have trailing pipe invoice charges and paving charges in 2026." It is unclear to me why ratepayers should be subjected to "trailing" invoices and charges, without obtaining further information to substantiate costs that total nearly \$6 million. Of particular concern to me are the 26 abandonment-only projects, which, as I said in an earlier dissent, shouldn't be included in the surcharge in the first place yet make up a substantial portion of projects in the extension period to date.¹ That's on top of missing JANA scores and explanations for major cost deviances or delays. It is also unclear to me how some of these projects are incomplete, especially when some of them have construction start dates as early as 2022. My office has provided the charts below for illustrative purposes.

¹ I further note that for one specific project, BCA # 310280, the project is "field complete," abandonment-only, and has an extension cost of about \$632,113, when its original estimate was about \$248,064. This is a 255% cost increase for a pipe abandonment that should not be in the surcharge at all.



COMMISSION ACTION

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

Date 11/26/25 Formal Case No. 1154 Tariff No. _____ Order No. 22746

	Approve Initial & Date	Dissent Initial & Date	Abstain Initial & Date
Chairman Emile Thompson	<u>ET/DJ 11/26/25</u>	_____	_____
Commissioner Richard A. Beverly	_____	<u>RB/DJ 11/26/25</u>	_____
Commissioner Ted Trabue	<u>TT/DJ 11/26/25</u>	_____	_____

Certification of Action

Dionne Joemah
General/Deputy General Counsel

Angela Parsons
OGC Counsel/Staff