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

ORDER

June 30, 2026

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

and

FORMAL CASE NO. 1179, IN THE MATTER OF THE INVESTIGATION INTO WASHINGTON GAS LIGHT COMPANY'S STRATEGICALLY TARGETED PIPE REPLACEMENT PLAN, Order No. 22891

I. INTRODUCTION

1. By this Order[1], the Public Service Commission of the District of Columbia ("Commission") grants, in part, Washington Gas Light Company's ("WGL" or "Company") Motion for Extension of PROJECT*pipes* 2 ("PIPES 2")[2] until December 31, 2026. An updated Year 10 Annual Project List shall be filed by July 15, 2026.

II. BACKGROUND

2. The Commission approved, by Order No. 20671, the PIPES 2 accelerated replacement program for an initial period, January 1, 2021, through December 31, 2023, with a spending cap of $150 million.[3] On December 22, 2022, WGL filed a proposal for the third iteration of the accelerated pipe replacement program, labeled "PROJECT*pipes* 3" ("PIPES 3").[4] In the interim, the Commission directed the first extension of PIPES 2 through February 28, 2025.[5] By Order No. 22003, the Commission rejected Washington Gas Light Company's PIPES 3 proposal,

---

1 Commissioner Beverly will vote no by voice vote.

2 *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").

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

4 *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 ("Formal Case No. 1175")*, Washington Gas's Application for Approval of PROJECTpipes 3 Plan, filed December 22, 2022.

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

and directed, among other things, that WGL file a new plan that demonstrates “greater cost effectiveness”, reflects “lessons learned during the first 10 years of PIPES”, and “narrowly focuse[s] on the aging high-risk pipe segments that are highly susceptible to leaks.”[6] On September 27, 2024, pursuant to Order No. 22003, WGL filed a new accelerated pipe replacement proposal, the District Strategic Accelerated Facility Enhancement Plan (“District SAFE Plan”), in *Formal Case No. 1179*.

3. On February 19, 2025, by Order No. 22367, the procedural schedule of *Formal Case No. 1179* was further extended, along with the PIPES 2 plan, which was set to lapse after December 31, 2025, with a surcharge-eligible spend of $34 million.[7] Through a series of Orders, the PIPES 2 Plan was ultimately extended through June 30, 2026.[8] The last extension Order, Order No. 22746, also authorized up to $25 million in additional spending through June 30, 2026.

4. The Commission convened an evidentiary hearing on December 9, 2025. On March 4, 2026, the Commission issued Order No. 22798 approving a modified District SAFE Plan.[9] On reconsideration, the Commission granted The Office of the People’s Counsel of the District of Columbia (“OPC”), the District of Columbia Government (“DCG”), and the Sierra Club’s (“SC”) Application for Reconsideration and Clarification of Order No. 22798 and scheduled an evidentiary hearing for June 29, 2026, and June 30, 2026, if the Commission determined a hearing was necessary after evaluation of the Pre-Hearing filings.[10]

5. On May 20, 2026, the Commission issued Order No. 22867 holding in abeyance the Modified SAFE Plan.[11] On June 16, 2026, WGL filed a Motion for Extension of PIPES 2 with the proposed PIPES 2 Extension List for the period of July 1, 2026, through December 31, 2026, as an attachment.[12] OPC, DCG, and SC filed a Joint Response to the Motion for Extension on

---

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

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

8 *Formal Case No. 1179*, Order No. 22689 (scheduled hearing for September 30, 2025), filed July 24, 2025; *Formal Case No. 1179*, Order No. 22716, rel. September 15, 2025 (scheduled hearing for November 18, 2025); and *Formal Case No. 1179*, Order No. 22746, rel. November 26, 2025 (“Order No. 22746”).

9 *Formal Case No. 1179*, Order No. 22798, rel. March 4, 2026.

10 *Formal Case No. 1179*, Order No. 22855, ¶ 30, rel. May 4, 2026. The Commission indicated that we would address the request for clarification in a separate Order.

11 *Formal Case No. 1179*, Order No. 22867, rel. May 20, 2026.

12 *Formal Case No. 1179*, Washington Gas Light Company’s Motion for Extension of PROJECTpipes 2 Plan, filed June 16, 2026 (“WGL’s Motion”).

June 25, 2026.[13] On June 29, 2026, the Philadelphia-Baltimore-Washington Laborers' District Council (PBWLDC) filed a letter in support of WGL's Motion for Extension of the PIPEs 2 Plan.[14]

III. DISCUSSION

a. WGL's Motion for Extension of PIPES 2

6. WGL seeks a "6-month extension of the PIPES 2 Plan and the PIPES 2 Surcharge, with total expenditures recovered through such surcharge not to exceed $25 million during the term of the extension period."[15] WGL requests that the Commission act prior to the June 30, 2026, expiration of the Company's current authorization.[16] Included with the motion is the PIPES 2 Extension Project List, July 1, 2026, through December 31, 2026 (Attachment A), which incorporates additional eligible projects.[17] In Attachment B, WGL provides details on the Materials and Size of the pipes of the projects listed in Attachment A.[18] WGL claims that the work to be done during the extension period "includes only work on projects that have already been approved by the Commission or are eligible pipe material under one of the approved PIPES 2 Programs [(e.g., Programs 1, 2, 3, 4, 5, and 10)]."[19]

7. WGL contends that any delay in approval will "erode the confidence among the Company's customers, contractors and communities in the Commission's commitment to public safety and system reliability."[20] WGL asserts that: (1) "[the] limited extension request enhances the safety of the gas distribution system and reduces greenhouse gas emissions"[21]; (2) a delay is not in the public interest because the accelerated replacement program addresses aging higher-risk

---

13 *Formal Case No. 1179*, Joint Response to Washington Gas Light Company's June 16, 2026, Motion for Further Extension of PROJECT*pipes* 2 Plan, filed June 25, 2026 ("Joint Response").

14 *Formal Case No. 1179*, the Philadelphia-Baltimore-Washington Laborer's District Council's Letter in Support of Washington Gas Light Company's Motion for Extension of the PIPEs 2 Plan, filed June 29, 2026 ("PBWLDC's Letter"). PBWLDC is concerned that a lapse in the PIPES 2 Program will create economic hardships for its members and adversely affect the public. Id.

15 WGL's Motion at 7.

16 WGL's Motion at 7.

17 WGL's Motion at 7-8. The Company has proposed the addition of 7 high-risk Program 4 projects to the 6-month CY2026 Extension Project List. The total estimated cost for these projects is $56 million, with $9 million to be spent during the extension period. Construction on these projects is scheduled to start as early as July 2026, as current projects are completed. Pre-construction activities for these projects are in advance stages of permitting, community outreach, agency coordination, and coordination with other impacted parties.

18 WGL's Motion at 8.

19 WGL's Motion at 8.

20 WGL's Motion at 9.

21 WGL's Motion at 9.

infrastructure with higher risk profiles, which could result in safety and reliability issues as well as increased greenhouse gas emissions; (3) even a short term lapse in authorization will have long-term consequences for ensuring system safety; (4) a "failure to extend PIPES 2 would prejudice the Company's District customers who rely on the Company to provide a safe and reliable system"[22]; (5) the Company has a statutory obligation to provide safe, reliable, and secure natural gas service to residents, and a federal obligation to remove aging pipe in an accelerated manner[23]; and (6) replacement of pipes will occur at a slower pace if the authorization for funding at the accelerated pace elapses.[24]

8. Lastly, WGL argues that the extension of PIPES 2 is consistent with prior extensions of PIPES 2 and PIPES 1 approved by the Commission since it would: (1) continue the accelerated replacement of high-risk pipes and services in the District; (2) avoid the redeployment of District workers and work flow disruptions (loss of operator-qualified technicians); and (3) ensure focus remains on prioritizing and replacing highest-risk pipes ahead of the construction schedule by limiting Program 10 projects to 20% ($5 million) of the proposed $25 million total.[25] WGL states that granting the motion will provide the Company with the time necessary to comply with any final Order while keeping the accelerated funding to continue critical safety work.[26]

b. <u>Joint Response to Motion</u>

9. The Joint Response states that this is WGL's fifth request for an extension of PIPES 2, and that the Company fails to provide a sufficient basis for further extension of the accelerated pipes replacement activities to warrant continuation of the surcharge.[27] The Joint Response reiterates that WGL is obligated to provide safe and reliable service with or without surcharge recovery.[28] According to the Joint Response, if WGL engages in replacement activities to meet those obligations, those costs should be borne by its shareholders and not ratepayers.[29]

10. The Joint Response states that PIPES 2 has "limped along across years of ad hoc extensions" and maintains that surcharge-funded PIPES 2 are too costly, poorly managed, and misaligned with District law and policy.[30] In addition, the Joint Response contends that PIPES 2

---

22 WGL's Motion at 9-10.

23 WGL's Motion at 10, internal citations omitted.

24 WGL's Motion at 10.

25 WGL's Motion at 10-11, internal citations omitted.

26 WGL's Motion at 11.

27 Joint Response at 1.

28 Joint Response at 1-2.

29 Joint Response at 2.

30 Joint Response at 2.

provides only "safe and ample profits" for WGL and does not ensure adequate and safe service. The Joint Response points out that: (1) WGL provided little or no justification for surcharge recovery to perform its basic safety and reliability obligations; and (2) WGL has operated without surcharge recovery before (January 1, 2024, until February 23, 2024.

11. According to the Joint Response, the Commission has directed that pipeline replacement and surcharge recovery need to be rethought, considering the District's emissions reduction targets and electrification policy.[31] The Joint Response states that this case is to "fundamentally augment WGL's capital planning processes to align with District law, policy, and the reality of consequent decreases in gas demand and need for gas infrastructure."[32] Lastly, the Joint Response argues that WGL's request is unnecessary and not in the public interest because every inch of pipe installed increases cost to ratepayers and is inconsistent with the District's policy-driven path to electrification.[33] The Joint Response concludes with requesting rejection of WGL's motion or alternatively, the Commission direct WGL to perform its obligations and seek cost recovery in the next base rate case.[34]

IV. DECISION

12. The Commission is continuing to evaluate *Formal Case No. 1179*, the District SAFE Plan, to make a final determination on the approval of an accelerated pipe replacement program in the District. Throughout the course of the *Formal Case No. 1179* proceeding, there have been various adjustments to the procedural schedule and delays requested by the parties, including the Commission's recent decision to hold in abeyance Order No. 22798 to allow for an evidentiary hearing on July 27-28, 2026, on all issues of fact claimed to be material and Order No. 22887 granting the schedule modification requested by DCG and Sierra Club. While the Commission continues its review of the District SAFE Plan, the Company has requested a 6-month extension of PIPES 2 to December 31, 2026. As we reiterated in this case in Order No. 22746, 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. The Commission simply 'cannot allow the system to deteriorate unabated.'"[35]

13. We are persuaded that it is necessary to extend PROJECT*pipes* 2 for another six (6) months while we consider issues of material fact pertinent to *Formal Case No. 1179*. As we stated in Order No. 22746, ¶ 13[36]:

---

[31] Joint Response at 3.

[32] Joint Response at 3.

[33] Joint Response at 3.

[34] Joint Response at 3.

[35] *Formal Case No. 1154*, Order No. 22746, ¶ 12, rel. November 26, 2025.

[36] *Formal Case No. 1154,* Order No. 22746, ¶ 13, internal citations omitted.

> 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. 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.

For the same reasons as noted above, the Commission hereby grants WGL's Motion and extends PIPES 2 until December 31, 2026, within the limits specified in this Order, notwithstanding further direction given in a determination Order issued by the Commission regarding the District SAFE Plan.

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.[37] According to the most recent Annual Project Report filed on March 31, 2026, the company has retired 12.3 miles of main and remediated 1,535 services between March 1, 2024, and December 31, 2025.[38] The Commission directs the Company to file PIPES 2 Reconciliation Reports covering the period of January 1, 2026, through December 31, 2026, by March 31, 2027, following the expiration of this extension period.

15. WGL's 6-month extension request of the PIPES 2 Plan and the PIPES 2 Surcharge includes projects that were previously approved or that are eligible pipe material under an approved PIPES 2 Program. The Company estimates that total expenditures recovered through the PIPES Surcharge related to its request will not exceed $25 million during the term of the extension. To substantiate its request, the Company has provided project estimates, start dates, and anticipated completion dates. The Commission finds that continuing the accelerated replacement of aging, high-risk pipes and services is necessary to maintain a safe and reliable natural gas distribution system in the District, and that partially granting WGL's motion to allow actively ongoing projects that were previously approved to continue will prevent worker redeployment and workflow disruptions. Consistent with previous extension spending limits and WGL's Project Lists, we authorize up to $17.76 million in additional spending towards the completion of actively ongoing

[37] *Formal Case No. 1154*, Order No. 22367, ¶ 30.

[38] *Formal Case No. 1154*, Washington Gas Light Company's Annual Project Report 2025, filed March 31, 2026.

previously approved projects included in the Year 10 Project List for the July 1, 2026 – December 31, 2026, extension period.

16. Regarding the proposed 6-Month Extension Project List (July 1, 2026, through December 31, 2026), the Commission intends to ensure that any spending recovered through the surcharge during the extension period is limited to existing work and that no new spending begins on Projects that may later be deemed ineligible for surcharge recovery in the future. We therefore direct WGL to confine surcharge-eligible activity in the proposed Project List during the extension period strictly to projects already approved as part of the Year 10 Project Lists.[39] This directive is consistent with the previous extension authorized in Order No. 22746 and will allow the Company to continue necessary work removing high-risk mains and services. We believe now, as we did in Order No. 22746, that ending PIPES 2 before we have issued the final decision in District SAFE would undermine the continued replacement of cast iron, bare and unprotected steel, and other high-risk pipes and services, and critical, already-approved work should be completed to ensure system safety and reliability.[40] We continue to believe that this approach addresses any concerns[41] regarding costs and performance issues by limiting spending and preventing new projects. For the six-month extension to December 31, 2026, the Commission expects that WGL will replace at least 0.62 miles of main and remediate or replace 279 services included in the proposed 6-Month Extension Project List.[42] WGL is further directed to file an updated 6-Month Extension Project List with the Commission by July 15, 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 PROJECT*pipes* 2 is **GRANTED** in part:

18. PROJECT*pipes* 2 is **EXTENDED** from June 30, 2026, to December 31, 2026, with a surcharge eligible spending level of $17.76 million, and limited to projects from the Year 10 6-Month Annual Project List Extension, as provided in paragraphs 14, 15, and 16;

19. Washington Gas Light Company **SHALL** file an update to the *Formal Case No.*

---

[39] *Formal Case No. 1154*, 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] *Formal Case No. 1154*, Order No 22746, ¶ 13.

[41] While the Joint Response asserts that PIPES 2 is costly, poorly managed, and misaligned, 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 PROJECT*pipes* 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.

[42] WGL's Motion, at Attachment A.

1154 PROJECT*pipes* 2 Year 10 6-Month Annual Project List Extension by July 15, 2026, as provided in paragraph 16; and

20. Washington Gas Light Company **SHALL** file a Reconciliation Report on the complete PROJECT*pipes* 2 following the end of the expiration period, but no later than March 31, 2027.

A TRUE COPY: **BY DIRECTION OF THE COMMISSION:**

CHIEF CLERK: **BRINDA WESTBROOK-SEDGWICK**
COMMISSION SECRETARY

COMMISSION ACTION

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

and

FORMAL CASE NO. 1179, IN THE MATTER OF THE INVESTIGATION INTO WASHINGTON GAS LIGHT COMPANY'S STRATEGICALLY TARGETED PIPE REPLACEMENT PLAN,

Date 6/30/26 **Formal Case Nos.** 1154 and 1179 **Tariff No.**_______ **Order No.** 22891

	Approve Initial & Date	Disapprove Initial & Date	Abstain Initial & Date
Chairman Emile Thompson	ET/DJ 6/30/26		
Commissioner Richard A. Beverly		RB/DJ 6/30/26	
Commissioner Ted Trabue	TT/DJ 6/30/26		

Certification of Action

Dionne Joemah

General/Deputy General Counsel

Kimberly Lincoln-Stewart

OGC Counsel/Staff