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October 23, 2020

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

**Re: Formal Case No. 1154 – In the Matter of Washington Gas Light Company's
Application for Approval of PROJECTPIPES 2 Plan**

Dear Ms. Westbrook-Sedgwick:

On behalf of the Baltimore Washington Construction and Public Employees Laborers' District Council ("BWLDC"), I enclose for filing the BWLDC's brief in the case referenced above. If you have any questions regarding this filing, please contact me.

Very truly yours,

Brian J. Petruska

cc: Service List

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

IN THE MATTER OF)	
WASHINGTON GAS LIGHT COMPANY’S)	FORMAL CASE NO. 1154
APPLICATION FOR APPROVAL OF)	
PROJECTPIPES 2 PLAN)	

**BRIEF OF THE BALTIMORE WASHINGTON CONSTRUCTION AND PUBLIC
EMPLOYEES LABORERS’ DISTRICT COUNCIL**

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The Baltimore Washington Construction and Public Employees Laborers’ District Council (“BWLDC”), an affiliate of the Laborers International Union of North America (“LIUNA”), submits this brief pursuant to Order Nos. 20639 and 20642, issued by the Public Service Commission of the District of Columbia (“Commission”) in this proceeding. BWLDC respectfully requests that the Commission approve Washington Gas Light Company’s (“WGL” or “Company”) Application for Approval of its PROJECT*pipes* 2 Plan (“PIPES 2 Plan”) as currently proposed in the Company’s Supplemental Direct Testimony submitted on April 23, 2020 in response to Order No. 20313.¹

I. Introduction

On December 7, 2018, WGL filed an Application for Approval of its PROJECT*pipes* 2 Plan (“PIPES 2 Plan”) with the Public Service Commission of the District of Columbia.² The Commission approved the first five years of WGL’s 40-year Accelerated Pipe Replacement Plan

¹ *Formal Case No. 1154*, Washington Gas Light Company’s Supplemental Direct Testimony, filed April 23, 2020.

² *Formal Case No. 1154*, Washington Gas Light Company’s Application for Approval for PROJECT*pipes* 2 Plan, filed December 7, 2018 (“PIPES 2 Plan”)

(“PIPES 1 Plan”) by Order No. 17431.³ WGL requests approval of the second five-year phase of PROJECT*pipes*, and to recover the costs associated with PIPES 2 Plan through the PROJECT*pipes* surcharge mechanism. The Company’s original PIPES 2 Plan proposal covers the period October 1, 2019 through December 21, 2024 and consists of eight distribution programs and five transmission programs at a cost of \$305.3 million.

By Order No. 20313 issued on March 26, 2020, the Commission directed the Company to file Supplemental Direct Testimony to: 1) update any necessary information on PIPES 2 Plan, 2) provide testimony on the Liberty Management audit report, 3) provide testimony on how the company’s cost benefit analysis and plan to further accelerate PROJECT*pipes* from a 40-year to a 30-year program impacts its PIPES 2 Plan, 4) provide updated detailed information on the estimated greenhouse gas emissions “(GHG)” and leak reductions by program, 5) discuss how the PIPES 2 Plan will benefit the District’s climate goals, 6) discuss the interdependency of DC PLUG relocation work and the PIPES 2 Plan, and 7) discuss the interdependency of the mercury regulator replacement program and the PIPES 2 Plan.⁴ In response, WGL filed Supplemental Direct Testimony on April 23, 2020. The Company’s updated PIPES 2 Plan covers the period October 1, 2020 through December 31, 2025 and consists of ten distribution programs and five transmission programs at a total cost of \$374 million. In addition to the programs detailed in its original proposal, the Company’s Supplemental Direct Testimony proposed two additional

³ See Formal Case No. 1093, *In the Matter of the Investigation into the Reasonableness of Washington Gas Light Company’s Existing Rates and Charges for Gas Service* and 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. 17431, rel. March 31, 2014 (“Order No. 17431”).

⁴ Formal Case No. 1115, Formal Case No. 1142, Formal Case No. 1154, and Formal Case No. 1162, Order No. 20313, rel. March 26, 2020 (“Order No. 20313”).

programs: Program No. 9 – Advanced Leak Detection, and Program 10 – Work Compelled by Others.⁵

Parties, including the BWLDC, filed Direct Testimony and Exhibits on June 15, 2020. Parties filed Rebuttal Testimony on July 14, 2020. Since the Company’s original application, the Commission has extended PIPES 1 three times.⁶

By Order No. 20615 issued on August 20, 2020, the Commission determined there were no materials issues of fact in dispute to warrant an evidentiary hearing. Instead, the Commission invited parties to submit briefs no later than October 5, 2020.⁷ By Order No. 20639, the Commission enlarged the deadline for filing briefs to October 23, 2020.⁸ By Order No. 20642, the Commission reiterated its determination that there are no issues of material fact warranting an evidentiary hearing, and invited parties to submit briefs summarizing the party’s position on the policy issues in dispute.⁹

II. Summation of BWLDC’s Position on Policy Issues

PIPES 2 Plan Improves Safety and Reliability, and Promotes Public Safety

BWLDC agrees with the Commission’s determination that the disputes in this case are of a policy nature. The overarching policy question is whether or not continuing an accelerated

⁵ *Formal Case No. 1154*, Washington Gas Light Company’s Supplemental Direct Testimony, filed April 23, 2020.

⁶ *Formal Case No. 1154*, Order No. 20213, Order No. 20313, and Order No. 20621.

⁷ *Formal Case No. 1154*, Order No. 20615, rel. August 20, 2020.

⁸ *Formal Case No. 1154*, Order No. 20639, rel. October 1, 2020.

⁹ *Formal Case No. 1154*, Order No. 20642, rel. October 15, 2020.

natural gas pipe replacement program is inconsistent with the District's climate goals. Although it is true that since approval of PIPES 1 the District has adopted aggressive climate change targets,¹⁰ it is the position of the BWLDC that those objectives are not relevant to the original intention of the PIPES plan which is to proactively replace relatively higher risk pipe in order to protect the public, and ensure safe and reliable natural gas operations in the District.

The District's PROJECT*pipes* program was born out of the federal government's call to action to improve the safety and reliability of the nation's antiquated gas infrastructure. The United States Congress passed the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011, Public Law 112-90 (January 3, 2012), 49 U.S.C. 60101 et seq., in response to high profile explosions of natural gas pipelines in California and Pennsylvania in 2010 and an earlier oil pipeline leak in Michigan. It bears emphasis that the prevention of explosions is the compelling public safety justification that undergirds WGL's accelerated pipe replacement program ("APRP").

As the Commission has found in prior decisions, "Aging pipeline infrastructure that results in an increase in the number of gas leaks is a serious problem in the District."¹¹ The Commission's statement remains as true today as it was when the Commission first wrote it in 2014. It also remains true that "WGL's daily operations, including pipeline replacements, have important public safety implications. To meet its safety obligations, the Company must speed up its

¹⁰ In 2018, the District passed the Clean Energy Omnibus Amendment Act ("the CEDC Act") mandating 100% of the District's energy from Tier 1 renewable sources by 2032. By 2041, solar energy must comprise at least 10% of the District's renewable energy mix. D.C. Law 22-257, CleanEnergy DC Omnibus Amendment Act of 2018, Section 102 and 103, <https://code.dccouncil.us/dc/council/laws/22-257.html>.

¹¹ Order No. 17431 at ¶ 59.

pipeline replacement activities in the District”¹² Lastly, it must be remembered that the APRP program was initiated because “WGL’s current pace of pipeline replacement in the District of Columbia” prior to the implementation of the APRP was found to be “unacceptable.”¹³

These considerations remain as compelling as they were in 2013 and 2014. The Commission should not allow itself to be lulled into a sense of complacency that somehow the risk of a natural gas disaster somehow is less serious now than it was six years ago. The truth is that, simply because WGL’s infrastructure has aged over the intervening years, the risk of public safety incident is even greater now than it was when the APRP started. For all of these reasons, it is imperative for the public safety of District residents that the Commission renew WGL’s APRP to address the compelling public safety risks that are inherent in its legacy natural gas infrastructure.

Approval of PIPES 2 supports this call to action because the program proactively accelerates replacement of high risk pipes with high leak rates and risk of pipe fracture in order to protect the safety of people and property in the District of Columbia. The Commission has already established the criteria for the PIPES program in Order Nos. 17431, 17602, and 17789. In Order No. 17431, the Commission established the four criteria for accelerated pipe replacement funding:¹⁴

(a) The Project is started on or after June 1, 2014;

¹² *Formal Case No. 1093, In the Matter of the Investigation into the Reasonableness of Washington Gas Light Company’s Existing Rates and Charges for Gas Service*, Order No. 17132, ¶ 250, rel. May 15, 2013 (“Order No. 17132”).

¹³ Order No. 17132 at ¶ 251.

¹⁴ Order No. 17431 at ¶ 68.

- (b) Project assets are not included in WGL's rate base in the most recent rate case;
- (c) The Project does not increase revenues by directly connecting the infrastructure replacement to new customers; and
- (d) The Project is needed to reduce risk and enhance safety by replacing aging, corroded or leaking cast iron mains, bare and/or unprotected steel mains and services; and black plastic services in the distribution system.

The Commission found in Order No. 17431, that the Company's focus on prioritizing accelerated replacement for bare and/or unprotected steel main and services that are prone to leaks due to corrosion and cast iron pipes was appropriate because the leak rates are high and pose potential safety and environmental risks. The Commission found that the company's proposal to replace the at-risk pipe and services with more durable plastic mains and services is an industry accepted resolution that is reasonable.¹⁵

The leak rates on WGL's gas system are still too high because the system is aging. The District's antiquated gas facilities pose potential safety and environmental risks. In PIPES 2, WGL proposes to accelerate replacement of the leakiest pipes and services. According to the Company, the four materials ranked by leaks per 100 service segments are bare steel, vintage mechanically coupled, unprotected wrapped steel, and copper accounting for approximately 79 percent of all service leaks. The top materials for main leaks are bare steel, vintage mechanically coupled wrapped steel, cast iron, and unprotected wrapped steel comprising 90 percent of all leaks on main pipe.¹⁶

¹⁵ Order No. 17431 at ¶ 61.

¹⁶ *Formal Case No. 1154*, Washington Gas Light Company's Application for Approval for PROJECTpipes 2 Plan, Exhibit WG (A)-2 at 14-16, filed December 7, 2018.

Approximately 31 percent of accelerated distribution pipe replacement in the PIPES 2 Plan proposal targets aging and leaking bare and/or unprotected wrapped steel service replacement in Program 1. The Company's bare steel services proposed for replacement in Program 1 has the 2nd highest grade 1 leak rate of 5.74 grade 1 leaks per 100 segments. Program 2 targets bare and/or unprotected wrapped steel main and services at a cost of \$51.1 million. Program 2 consists of bare steel main which has the highest grade 1 leak rate at 4.44 grade 1 leaks per mile. According to the Company, unprotected wrapped steel main has the 3rd highest grade 1 leak rate at 1.67 grade 1 leaks per mile. Program 3 targets vintage mechanically coupled main and service at a cost of \$53.5 million. According to the Company, vintage mechanical coupled services has the highest grade 1 leak rate of 6.01 grade 1 leaks per 100 segments, and vintage mechanical coupled main has the 2nd highest grade 1 leak rate at 3.29 grade 1 leaks per mile.¹⁷ These three programs comprise 61% of the funding for distribution plant replacement.

WGL proposes a new Program 10 – Work Compelled by Others – because more than 40 miles of existing cast iron, bare and/or protected wrapped steel, and vintage mechanically coupled main runs alongside Pepco's 26 overhead feeders targeted for undergrounding.¹⁸ WGL claims that leaks have occurred during and after construction near its cast iron pipelines causing safety concerns. In a dense urban environment with antiquated infrastructure, it is expected that nearby major construction activity may disturb existing facilities. Furthermore, approving this program may prove efficient as the utilities and the District Department of Transportation can

¹⁷ *Formal Case No. 1154*, Washington Gas Light Company's Supplemental Direct Testimony, Exhibit WG (2A)-1 at 5-7, filed April 23, 2020.

¹⁸ *Formal Case No. 1154*, Washington Gas Light Company's Supplemental Direct Testimony, Exhibit WG (2A)-1 at 13, filed April 23, 2020.

share construction costs associated with opening the streets, and repaving. Coordinating construction activities also reduces public disruption due to street closures.

PIPES 2 Plan is Consistent with DC's Climate Goals

Approval of PIPES 2 is consistent with the Commission's consideration of climate goals because leak mitigation reduces greenhouse gas emissions. The Commission found in Order 17431 that WGL's accelerated pipe replacement plan had other public benefits in addition to safety and reliability, including, reduction of GHG, quicker isolation of gas leaks, upgrading portions from low system to high pressure, reduction of lost and unaccounted for gas, as well as the movement of meters from inside to outside to allow for quicker access during emergencies.¹⁹ Similarly, PIPES 2 will reduce GHGs released from its distribution system over the duration of the program by an estimated total of 17,017 metric tons of carbon dioxide.²⁰

PIPES 2 Plan Benefits the District Economy

As a policy matter, in addition to public safety and climate change, the Commission must consider the economy of the District in regulating utilities. DC Code § 34–808.02 states:

In supervising and regulating utility or energy companies, the Commission shall consider the public safety, the economy of the District, the conservation of natural resources, and the preservation of environmental quality, including effects on global climate change and the District's public climate commitments.²¹

¹⁹ Order No. 17431 at ¶ 64.

²⁰ *Formal Case No. 1154*, Washington Gas Light Company's Supplemental Direct Testimony of Company Witness Wayne A. Jacas at 11, filed April 23, 2020.

²¹ DC Code § 34–808.02, <https://code.dccouncil.us/dc/council/code/titles/34/chapters/8/>.

PIPES 2 creates hundreds of quality jobs which benefit the District's economy. According to an analysis of Economic Benefits, PIPES 2 spending will create an estimated 1,708 full-time jobs, and generate employee compensation totaling over \$107.7 million.²² BWLDC knows first-hand the reality of these economic benefits. BWLDC's local affiliate, LIUNA Local 11, represents approximately 800 workers employed by numerous WGL contractors in the Washington, DC metropolitan area. With a membership that is representative of the diversity of the District, Local 11 is one of the largest organizations representing Black construction workers in the District. The BWLDC-represented workforce performs all of WGL's PROJECTpipes construction activities, and nearly all of its contracted-out routine pipe replacement projects in the District. These workers receive family-supporting wages, affordable family health insurance, collectively bargained protections on the job, access to training, and retirement benefits. This is a significant consideration during a period of unprecedented unemployment.

BWLDC's witness Steve Lanning, the Assistant Business Manager of Local 11, testified in this case that the quality of construction jobs created by WGL's PROJECTpipes program are far superior to other utility construction jobs in the District. He stated:

To understand how good the jobs on Pipes 2 are, you only need to compare the Pipes 2 jobs with the jobs currently being provided by work on Pepco's transmission and distribution lines, which are significantly inferior. Pepco's contractors pay the lowest wages and have the lowest rate of insurance coverage for their employees compared to DC Water and Washington Gas. Extensive surveying of Pepco's contractor employees revealed that not only were many making only the minimum wage, but 22% were paid less than the minimum in violation of District law. Furthermore, only 41% of Pepco's contracted out workforce received health insurance through their employer.

In comparison, I can confidently say that, unlike with Pepco, none of WGL's contractor workforce on PROJECTpipes' projects (and nearly all of its contractor

²² *Formal Case No. 1154*, Washington Gas Light Company's Application for Approval for PROJECTpipes 2 Plan, Direct Testimony of Wayne A. Jacas at 23, filed December 7, 2018.

workforce on non-accelerated pipe projects) are being paid minimum wage, and definitely not less than minimum wage. Instead, the entire workforce earns a living wage. Moreover, the entire workforce also receives affordable health insurance covering their entire family and the workers are eligible for a retirement benefit. In fact, as a result of a Community Benefits Agreement between WGL and the Laborers, 150 traffic control workers went from receiving the minimum wage and no benefits to receiving fair wages and affordable family health insurance.²³

Now, more than ever, with economic uncertainty due to the COVID health pandemic, quality jobs such as the careers in construction created by the PROJECT*pipes* program, offer workers in the District a path to the middle class while also providing an essential service to the District.

III. Conclusion

Unfortunately, approval of PIPES 2 has become a proxy for a broader debate around the future of energy in the District, and the role of natural gas in that future. BWLDC encourages robust discussion around these critical issues, and how to transition to a lower carbon future in order to meet the District's climate objectives, and respond to the existential threat of climate change. This discussion is essential, but it does not preclude the need for replacing at-risk pipelines that currently deliver natural gas to thousands of District residents.

LIUNA members have been building pipelines nationally and in the Mid-Atlantic for over a century. Workers know first-hand the dangers of poorly maintained or corroded pipelines. When installing pipe, workers are taught to handle the pipe in a manner that protects the integrity of the pipe at all times. Workers undergo significant training and testing in order to become operator qualified to perform vital tasks on natural gas facilities. The training and the obsessive

²³ *Formal Case No. 1154*, Direct Testimony of Steve Lanning on Behalf of the Baltimore Washington Construction and Public Employees Laborers' District Council at 6, filed June 15, 2020.

attention to safe handling of pipe materials is to ensure public safety and continued safe and reliable operations.

To not replace vulnerable natural gas pipelines as a tactic to reduce the consumption of natural gas in the District is comparable to not repairing public roads, bridges, or tunnels in order to discourage driving. The fact remains that residents rely on natural gas for heating, and a pipeline is the method for how this fuel is delivered to their homes. Pipelines like roads, bridges, and tunnels are vital public infrastructure that need to be maintained for the public good. Unlike roads, bridges, and tunnels, however, the public cannot see underground utilities, and therefore, the importance of maintaining the underground utility infrastructure is not fully understood or part of the public discourse. Until there is no longer a need for natural gas in the District, the Commission has a duty to ensure the pipeline facilities that transmit natural gas to District residents are sufficient to ensure safe and reliable operations and public safety.

October 23, 2020

Respectfully Submitted,

/s/Brian J. Petruska

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CERTIFICATE OF SERVICE
Formal Case No. 1154

I hereby certify on this 23rd day of October 2020, that the Direct Testimony and Exhibits of Steve Lanning was filed electronically on behalf of the Baltimore-Washington Construction and Public Employees Laborers' District Council ("BWLDC") in Formal Case No. 1154 and copies were electronically transmitted to the service list below:

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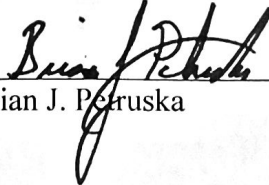
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