



**COUNCIL OF THE DISTRICT OF COLUMBIA
THE JOHN A. WILSON BUILDING
1350 PENNSYLVANIA AVENUE, NW
WASHINGTON, DC 20004**

February 7, 2024

Chair Emile C. Thompson
Commissioner Richard A. Beverly
Commissioner Ted Trabue
Public Service Commission of the District of Columbia
1325 G Street N.W., Suite 800
Washington, D.C. 20005

Re: The Future of the District's Gas Distribution Network

Dear Chair Thompson, Commissioner Beverly, and Commissioner Trabue:

The CleanEnergy DC Omnibus Amendment Act of 2018, effective March 22, 2019 (D.C. Law 22-257; 66 DCR 1344), requires that the Public Service Commission of the District of Columbia ("Commission") consider the "effects on global climate change and the District's public climate commitments" in supervising and regulating energy utility companies in the District. The Climate Commitment Amendment Act of 2022, effective September 21, 2022 (D.C. Law 24-176; 69 DCR 9919), includes such a commitment. Specifically, section 2 of the law requires the reduction of greenhouse gas emissions from both public and private sources to achieve "a level consistent with carbon neutrality by 2045, and in each year thereafter" with aggressive interim benchmarks set for 2025, 2030, 2035, and 2040.

As you know, the District's gas distribution utility, Washington Gas Light Company, has asked the Commission to approve nearly \$672 million in customer surcharges over the next five years for the third phase of its accelerated pipeline replacement project. This plan, known as "PROJECTpipes," would rebuild the District's entire natural gas distribution system—at ratepayer expense—with a result that is incompatible with the aforementioned statutory mandates.

PROJECTpipes does not align with the new, fossil-free future that the Council has charted. To begin, the proposed overhaul of the gas distribution system will come at enormous expense for District residents. Ratepayers have already experienced a rate increase and, if this project were allowed to proceed, they would be subjected to additional surcharges. Moreover, these costs will not be borne by all residents equally; as more households replace outdated gas appliances with high efficiency electric appliances, these costs will be absorbed by residential gas customers who lack the resources to participate in that transition. Finally, given the District's efforts to electrify both public and private buildings, this investment will result in a rebuilt gas infrastructure system

that will soon be abandoned for more sustainable technology, or will continue to emit greenhouse gasses for years to come.

While the safety of the District's gas distribution system is paramount during its operation, there are better ways to improve safety than by replacing the entire pipes network. For example, an expert study published in 2022 by the Department of Energy and Environment describes the results of case studies in seven of the District's neighborhoods. The report made two important findings:

“[F]irst, the cost of pipeline replacement is on average 25 times the cost of pipeline repair. Second, as exemplified by the Woodridge leak repairs, finding and repairing the largest leaks can be a cost- and climate-effective approach to triage leak-prone pipes, save ratepayer money, and allow ratepayer funds to be allocated toward electrification.”

Furthermore, the federal Pipeline and Hazardous Materials Safety Administration is considering regulations requiring that operators more rapidly repair all pipeline leaks. These new regulations will likely require Washington Gas to invest more in repairing leaks. Together, the existence of alternatives to complete pipeline repair and the possible release of new regulations undermine the justification for the wholesale pipeline replacement project. Rather than proceeding with PROJECTpipes, we recommend that the Commission begin integrated, comprehensive thermal energy planning consistent with the carbon neutrality goals laid out in the Climate Commitment Amendment Act of 2022.

Thank you for your partnership in continuing your important regulation of the District's public utilities as we consider the energy needs of District residents in an ever-worsening climate crisis.

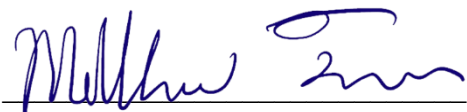
Sincerely,



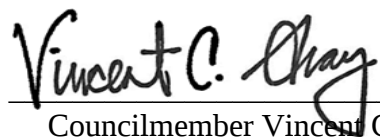
Chairman Phil Mendelson



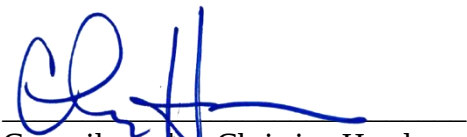
Councilmember Charles Allen



Councilmember Matthew Frumin



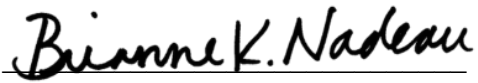
Councilmember Vincent C. Gray



Councilmember Christina Henderson



Councilmember Janeese Lewis George



Councilmember Brianne K. Nadeau



Councilmember Zachary Parker



Councilmember Brooke Pinto



Councilmember Robert C. White, Jr.

Copy: Mayor Muriel Bowser;

Richard Jackson, Director, Department of Energy and Environment