



# PROJECT *pipes*

*Improving our Communities for Tomorrow*

## What is PROJECT *pipes*?

**PROJECT *pipes*** is Washington Gas' 40-year accelerated pipeline replacement program launched in 2014 in the District of Columbia that is designed to enhance the safety and reliability of our system. The plan, approved by the Public Service Commission of the District of Columbia (PSC), has allowed us to work over the past four years replacing aging infrastructure across Washington, D.C. Washington Gas recovers the associated costs through a PSC-approved billing surcharge. The first phase of the program ends in September 2019.

## WHY IS IT NEEDED?

Washington Gas has served the DC-area for 170 years. Like all older metropolitan systems, our pipeline system in D.C. is aging and we are working diligently to modernize it over time through our **PROJECTpipes** program. The investment and planning that have gone into effectively managing **PROJECTpipes** has led to many positive results, including enhancing the safety and improving the reliability of our distribution system in the District of Columbia. The project has enabled Washington Gas to accelerate replacing portions of our aging facilities through a proactively developed and PSC-approved annual project list.

## WHAT HAS BEEN DONE SO FAR?

Our progress on **PROJECTpipes** since June 2014 includes successfully replacing approximately 13 miles of pipe and 3,000 service lines.

## HOW MUCH HAS IT COST?

As of September 30, 2018, the first phase of Washington Gas' **PROJECTpipes** program has been completed at a total cost of \$78.1 million, with approximately \$110 million total investment by September 30, 2019. The initial work has resulted in increased reliability and enhanced safety of our Washington, D.C. system by replacing certain portions of our aging system as identified and approved using our annual project lists in close coordination with the PSC.

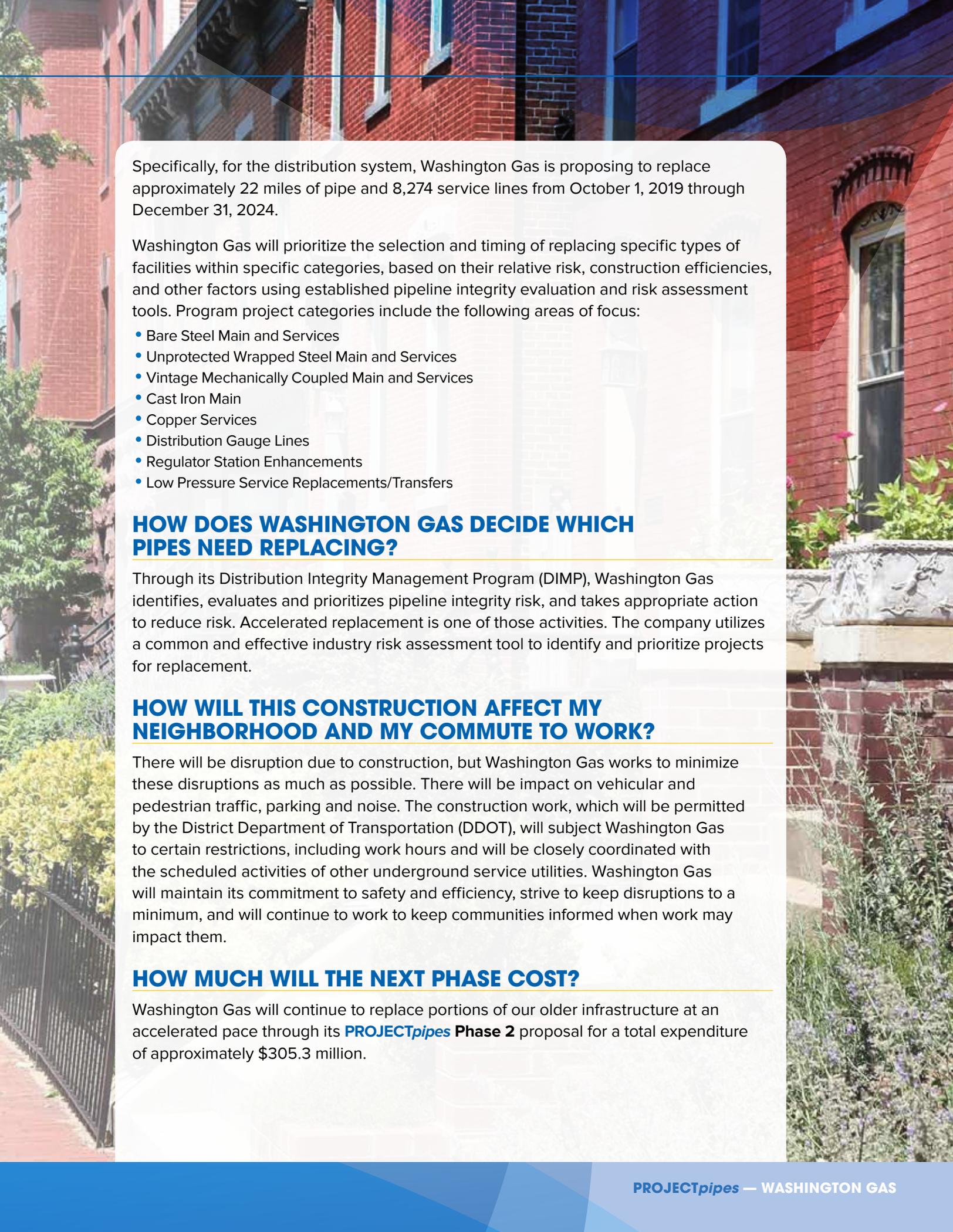
## WHAT ARE SOME OF THE BENEFITS?

Through its completion of **Phase 1 PROJECTpipes** work, Washington Gas has created an estimated 616 full time jobs, added Gross Domestic Product in the District of Columbia at an estimated \$57.6 million, and reduced greenhouse gases (GHG) released from its distribution system by an estimated cumulative reduction total of 5,674 metric tons of carbon dioxide equivalent emissions. Project work has also included the installation of service safety valves, new locating technology, updated mapping of our facilities, and upgrading our low pressure systems which can reduce instances of water infiltration into pipelines that can cause outages.

## WHAT IS THE PLAN GOING FORWARD?

Washington Gas is proposing a plan to implement the next five years of **PROJECTpipes** and continue the program's success and progress to further enhance safety and improve reliability. Much like Washington Gas' current **Phase 1** plan, we would continue our efforts to replace portions of our natural gas distribution pipe on an accelerated basis and recover the associated costs through a billing surcharge mechanism as previously approved by the PSC in the first phase of **PROJECTpipes**.

**PROJECTpipes Phase 2** proposes to enhance the safety and reliability of Washington Gas's distribution and transmission systems in D.C., while also reducing greenhouse gas emissions related to leaks on aging infrastructure.



Specifically, for the distribution system, Washington Gas is proposing to replace approximately 22 miles of pipe and 8,274 service lines from October 1, 2019 through December 31, 2024.

Washington Gas will prioritize the selection and timing of replacing specific types of facilities within specific categories, based on their relative risk, construction efficiencies, and other factors using established pipeline integrity evaluation and risk assessment tools. Program project categories include the following areas of focus:

- Bare Steel Main and Services
- Unprotected Wrapped Steel Main and Services
- Vintage Mechanically Coupled Main and Services
- Cast Iron Main
- Copper Services
- Distribution Gauge Lines
- Regulator Station Enhancements
- Low Pressure Service Replacements/Transfers

## HOW DOES WASHINGTON GAS DECIDE WHICH PIPES NEED REPLACING?

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Through its Distribution Integrity Management Program (DIMP), Washington Gas identifies, evaluates and prioritizes pipeline integrity risk, and takes appropriate action to reduce risk. Accelerated replacement is one of those activities. The company utilizes a common and effective industry risk assessment tool to identify and prioritize projects for replacement.

## HOW WILL THIS CONSTRUCTION AFFECT MY NEIGHBORHOOD AND MY COMMUTE TO WORK?

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There will be disruption due to construction, but Washington Gas works to minimize these disruptions as much as possible. There will be impact on vehicular and pedestrian traffic, parking and noise. The construction work, which will be permitted by the District Department of Transportation (DDOT), will subject Washington Gas to certain restrictions, including work hours and will be closely coordinated with the scheduled activities of other underground service utilities. Washington Gas will maintain its commitment to safety and efficiency, strive to keep disruptions to a minimum, and will continue to work to keep communities informed when work may impact them.

## HOW MUCH WILL THE NEXT PHASE COST?

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Washington Gas will continue to replace portions of our older infrastructure at an accelerated pace through its **PROJECTpipes Phase 2** proposal for a total expenditure of approximately \$305.3 million.

## WHAT WILL BE THE IMPACT ON MY BILL AND DOES THAT DIFFER FROM HOW IT CURRENTLY IMPACTS MY BILL?

For 2018, the amount of **PROJECTpipes** surcharge for an average residential heating customer was approximately \$25 annually, or \$2.08 per month. For 2019, it is projected to be approximately \$49 annually or \$4.08 per month.



### Annual Average Gas Bill — RESIDENTIAL

## 2007

Cost of Gas	Customer Charge	Distribution	TOTAL
\$793.50	\$94.20	\$316.62	\$1,204.32

## 2018

Cost of Gas	Customer Charge	Distribution	TOTAL
\$337.88	\$157.20	\$383.89	\$878.97



### Annual Average Gas Bill — COMMERCIAL & INDUSTRIAL

## 2007

Cost of Gas	Customer Charge	Distribution	TOTAL
\$7,649.42	\$204.07	\$2,969.43	\$10,822.92

## 2018

Cost of Gas	Customer Charge	Distribution	TOTAL
\$4,256.96	\$451.38	\$4,382.16	\$9,090.50

Due to the substantial decrease in natural gas prices, customers actually pay less today for natural gas service than they did in 2007 — even with the **PROJECTpipes** surcharge included in their bill.

For more information about **PROJECTpipes**, contact Apera Nwora at [PROJECT\\_pipes@washgas.com](mailto:PROJECT_pipes@washgas.com) or call **202-624-6400**.



**Washington Gas**

A WGL Company

[washingtongas.com](http://washingtongas.com)

Customer Service: **844-WASHGAS**

Natural Gas Leaks/Emergencies:

**911** and then **844-WASHGAS**

