

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

REVISED NOTICE OF PUBLIC INTEREST HEARING

FORMAL CASE NO. 1115, APPLICATION OF WASHINGTON GAS LIGHT COMPANY FOR APPROVAL OF A REVISED ACCELERATED PIPE REPLACEMENT PROGRAM

To afford the Settling Parties sufficient time to resolve outstanding issues and finalize the settlement agreement, the public interest hearing originally scheduled to be held on December 10, 2014 pursuant to Section 130.11 of the Commission’s Rules of Practice and Procedure¹ to consider the settlement agreement that was scheduled to be filed on December 3, 2014 in this proceeding has been cancelled and rescheduled for January 8, 2015 in accordance with Order No. 17728 of the Public Service Commission of the District of Columbia (“Commission”) issued on December 8, 2014. Notice of the originally scheduled hearing was published previously in the *D.C. Register*² and on the Commission’s website. The Commission now hereby gives notice of the rescheduled public interest hearing to be held pursuant to Section 130.11 of the Commission’s Rules of Practice and Procedure to consider the settlement agreement scheduled to be filed on or before December 10, 2014 by Washington Gas Light Company (“WGL” or “Company”), the Office of the People's Counsel (“OPC”), and the Apartment and Office Building Association of Metropolitan Washington (“AOBA”) (collectively, “Settling Parties”). The public interest hearing will convene Thursday, January 8, 2015, at 10:00 a.m. in the Commission Hearing Room, 1333 H Street, N.W., East Tower, Suite 700, Washington, DC 20005.

BACKGROUND

In WGL’s last base rate case,³ the Company sought, among other things, Commission approval to implement the first five (5) years of a 50-year Accelerated Pipe Replacement Plan (“APRP”) and to recover the costs through a surcharge mechanism called the Plant Recovery Adjustment (“PRA”) billed to customers on a monthly basis.⁴ In the Commission’s decision on WGL’s rate application, Order No. 17132, issued May 15, 2013, the Commission acknowledged the need for a program to address the aging pipeline infrastructure in the District, but found, based on the

¹ 15 DCMR § 130.11 (1992).

² 61 D.C. Reg. 12018 (2014).

³ *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 (“Formal Case No. 1093”)*, Washington Gas Light Company’s Request for Approval of a Revised Accelerated Pipe Replacement Plan (Public Version and Confidential Version), filed August 15, 2013 (“WGL’s Request”). WGL’s Request was filed in *Formal Case No. 1093*, but was incorporated into a new case, *Formal Case No. 1115*, by Order No. 17431, rel. March 31, 2014.

⁴ *Formal Case No. 1093*, WGL’s Application at 4-5. See also WGL (A) at 5-7 (Sims); WGL (L) at 3-15 (Buckley); and WGL (G) at 3-18 (Townsend).

record made in that proceeding, that there were problems with WGL's proposed APRP which required the Commission to reject the program (and the PRA) as submitted.⁵ The Commission directed the Company to reconsider certain aspects of its risk assessments (including large diameter/elevated pressure pipe), the timeframe of the proposed APRP and several specific questions, and to report back promptly to the Commission, in a filing to be made within three (3) months from the date of the Order, on its revised risk assessments and pipe replacement priorities.⁶

On August 15, 2013, pursuant to Order No. 17132, WGL filed its Revised APRP (also referred to herein as the "Revised Plan") and requested Commission approval to implement the first five (5) years of its 40-year Revised Plan and proposed PRA.⁷

By Order No. 17431, issued on March 31, 2014, the Commission opened a new case, *Formal Case No. 1115*, and in that Order granted WGL's Request for Approval of its Revised APRP subject to the conditions set forth in that Order.⁸ The Commission also directed: (1) the Company to respond to the Commission's directives for additional information that were set out in that Order; (2) other parties to file comments to those filings; and (3) Commission Staff to convene a technical conference to allow the parties to discuss WGL's Revised Plan.⁹

On April 30, 2014, WGL filed Responsive Information pursuant to Order No. 17431.¹⁰ The Company followed with two supplemental filings on May 5, 2014.¹¹ The technical conference was held on May 7, 2014, with a follow-up WebEx session on Optimain on May 29, 2014, and a live presentation on Optimain at the Company's Springfield, Virginia office on June 20, 2014. AOBA and OPC filed its Comments to WGL's responses to Order No. 17431 on May 30, 2014, and on June 17, 2014, respectively.¹²

By Order No. 17602, issued August 21, 2014, the Commission, among other things, granted final approval of WGL's Revised APRP, determined that an evidentiary hearing is necessary to

⁵ *Formal Case No. 1093*, Order No. 17132, ¶¶ 249-271, rel. May 15, 2013 ("Order No. 17132").

⁶ Order No. 17132, ¶ 259.

⁷ WGL's Request at 2-3.

⁸ *Formal Case Nos. 1093 and 1115*, Order No. 17431, rel. March 31, 2014.

⁹ Order No. 17431, ¶¶ 71, 79.

¹⁰ *Formal Case No. 1115*, Washington Gas Light Company's Responsive Information Pursuant to Order No. 17431, filed April 30, 2014 ("WGL's Responsive Information").

¹¹ *Formal Case No. 1115*, Washington Gas Light Company letters dated May 5, 2014 addressed to the Commission's Secretary enclosing Rate Schedule 1A, Attachment H and revised Attachments A and G.

¹² *Formal Case No. 1115*, Comments of the Apartment and Office Building Association of Metropolitan Washington to the Washington Gas Light Company's Further Revised Accelerated Pipe Replacement Plan, filed May 30, 2014 ("AOBA's May 30, 2014 Comments"). *Formal Case No. 1115*, Comments of the Office of the People's Counsel on the Response of Washington Gas Light Company to PSC Order No. 17431 ("OPC's June 17, 2014 Comments").

consider WGL's requested funding mechanism for the APRP (the "funding mechanism" or "cost recovery" phase of this proceeding), and established a preliminary issues list for the cost recovery proceeding subject to additional relevant issues being proposed by the parties by August 29, 2014.¹³ An evidentiary hearing was scheduled to be held November 12-14, 2014.¹⁴

WGL filed a Motion to Stay the Proceedings on November 5, 2014, alleging that the Settling Parties have reached a settlement in principle on the issues addressed in the case, but that additional time is needed to memorialize the terms and conditions of settlement.¹⁵

In Order No. 17700, issued on November 7, 2014, the Commission: (1) granted WGL's Motion to Stay the Proceedings to facilitate the parties' time requirements to finalize the details and memorialize the terms and conditions of the settlement in a settlement agreement; (2) cancelled the evidentiary hearing scheduled for November 12-14, 2014 in this proceeding; (3) directed the Settling Parties to file the settlement agreement on or before December 3, 2014; and (4) set December 10, 2014, at 11:30 a.m., as the date of the hearing to determine whether the settlement agreement is in the public interest.¹⁶

On December 3, 2014, the Settling Parties filed a Joint Motion for Extension of Time to the File Settlement Agreement until December 10, 2014 and to postpone until December 16, 2014 the hearing scheduled to determine whether the settlement agreement is in the public interest.¹⁷ The Commission granted the Joint Motion in Order No. 17728 setting the new date for the filing of the settlement agreement as December 10, 2014 and postponing the public interest hearing originally scheduled for December 10, 2014 and rescheduling it for January 8, 2015.¹⁸

PUBLIC INTEREST HEARING

The purpose of this public interest hearing is to determine if the proposed settlement agreement is in the public interest pursuant to Section 130.11 of the Commission's Rules of Practice and Procedure.¹⁹ During the course of the hearing, the parties that have agreed to settle will present witnesses to testify regarding the proposed settlement agreement and may be questioned by the Commission on whether the settlement agreement is in the public interest.²⁰ If the settlement

¹³ *Formal Case No. 1115*, Order No. 17602, ¶ 116, rel. August 21, 2014.

¹⁴ Order No. 17602, Attachment A.

¹⁵ *Formal Case No. 1115*, Washington Gas Light Company's Motion to Stay the Proceedings, filed November 5, 2014 ("WGL's Motion to Stay").

¹⁶ *Formal Case No. 1115*, Order No. 17700, rel. November 7, 2014.

¹⁷ *Formal Case No. 1115*, *Application of Washington Gas Light Company for Approval of a Revised Accelerated Pipe Replacement Program* ("Formal Case No. 1115"), Joint Motion for Extension of Time to File Settlement Agreement, filed December 3, 2014 ("Joint Motion for Extension of Time").

¹⁸ *Formal Case No. 1115*, Order No. 17728, rel. December 8, 2014.

¹⁹ 15 DCMR § 130.11 (1992).

²⁰ 15 DCMR § 130.12 (1992).

agreement that is submitted to the Commission is not unanimous, any party that does not join in the settlement agreement may be questioned by the Commission. In addition, the Commission may allow cross-examination among the settling and non-settling parties. Interested persons who are not parties to this proceeding and wish to testify at the hearing may do so by notifying the Commission's Secretary in writing at the address or email address listed in the final paragraph of this Notice at least two (2) days prior to the date of the hearing.

The public interest hearing will be streamed live on the Commission's website, www.dcpssc.org, and the video archived at http://www.dcpssc.org/public_meeting/index.asp.

ADDITIONAL INFORMATION

On or after December 10, 2014, copies of the proposed settlement agreement may be obtained by contacting the Office of the Commission Secretary, Public Service Commission of the District of Columbia, 1333 H Street, N.W., West Tower, Suite 200, Washington, DC 20005 or by visiting the Commission's website at www.dcpssc.org. The proposed settlement agreement will be located on the Commission's eDocket system in *Formal Case No. 1115* and can be obtained at http://www.dcpssc.org/edocket/docketsheets_pdf_FS.asp?caseno=FC1105&docketno=37&flag=D&show_result=Y.

Interested persons who are not parties to this proceeding may submit written comments or statements regarding the proposed Settlement Agreement to Brinda Westbrook-Sedgwick, Commission Secretary, Public Service Commission of the District of Columbia, 1333 H Street, NW, Suite 200, West Tower, Washington D.C. 20005 or by email at Psc-commissionsecretary@dc.gov. on or before January 8, 2015.