



Public Service Commission of the District of Columbia
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Press Release

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Public Service Commission Unanimously Approves AltaGas/WGL Merger

(WASHINGTON, D.C.) – By a unanimous vote, the Public Service Commission of the District of Columbia (Commission) approves the Proposed Merger between AltaGas, WGL Holdings, and Washington Gas Light Company (WGL) (collectively, Joint Applicants), as outlined in a Settlement Agreement and as amended by the conditions imposed in Order No. 19396. The Settling Parties have five days from the date of the Order to indicate to the Commission whether they accept the conditions imposed in the Order. The Joint Applicants will notify the Commission of the exact date when the acquisition has taken place under the terms and conditions of the agreement.

The following parties signed the Settlement Agreement: the Joint Applicants, the Government of the District of Columbia, the Office of the People’s Counsel of the District of Columbia, the United States Department of Defense and all other Federal Executive Agencies, the Apartment and Office Building Association of Metropolitan Washington, the Laborers’ International Union of North America, its affiliated District Council, and Local Unions serving or located in Washington, D.C., Local 2 of the Office and Professional Employees International Union, AFL-CIO, and the National Consumer Law Center/National Housing Trust.

The Settlement Agreement addresses the concerns of many of the Settling Parties regarding any effect a credit ratings downgrade may have on WGL’s customers. These terms include: Local Corporate Presence, Board Structure, Local Management, Commission Jurisdiction, Employee Pension Plan, Affiliate Requirements, Ring Fencing and Credit Rating Protections and Cost Accounting, Tax, and Rate Neutrality.

The Settlement Agreement also addresses cybersecurity, environmental, safety, and reliability concerns previously articulated by several of the Settling Parties.

The Order proposes several conditions as well as revisions to a limited number of existing terms to address the Commission’s concerns about the post-merger financial stability of the combined company. The conditions are consistent with the commitments proposed by the Settling Parties to residents of the District of Columbia and customers of WGL.

The Commission also concluded that the Proposed Merger will benefit ratepayers and the District because it includes, among other benefits:

(1) Funding of \$20,482,254 for a one-time rate credit for each Washington Gas residential customer and \$5,422,582 for one-time rate credit for each Washington Gas non-residential customer in the District;

- (2) Providing \$4.2 million for energy efficiency and energy conservation initiatives with a primary focus on assisting low and limited-income residents who are living in affordable multifamily units;
- (3) Providing \$1.5 million of supplemental funding over the five years following the Merger close (or until expended) to the Washington Area Fuel Fund;
- (4) Developing or causing to develop 10MW of either electric grid energy storage or Tier one renewable resources in Washington, D.C. within five years after the Merger close
- (5) Providing \$450,000 to fund a study to assess the development of renewable (bio) gas facilities in the Greater Washington, D.C. metropolitan area;
- (6) Funding of a new public safety program at Washington Gas focused on preventing third party excavation damages;
- (7) Contributing \$6,000,000 over a two-year period after Merger close to fund workforce development initiatives in the District of Columbia, such as the Mayor's DC Infrastructure Academy and to programs that promote training and job creation in the energy sector and Science, Technology, Engineering and Math (STEM) fields;
- (8) Committing to increase the company's share of non-gas spending with diverse suppliers to 35% over the next ten-year period;
- (9) Providing \$1.2 million in charitable contributions and traditional local community support per year in the Greater Washington, D.C. metropolitan area; and
- (10) Maintaining current service quality and reliability levels and standards under existing Commission orders and regulations, and providing access to capital to meet Washington Gas' total projected capital expenditures through 2021.

A copy of the Order and Appendix A will be posted on the Commission website, www.dcpsc.org.

The Public Service Commission of the District of Columbia is an independent agency established by Congress in 1913 to regulate electric, natural gas, and telecommunications companies in the District of Columbia.

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