

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

NOTICE OF VIRTUAL PUBLIC INTEREST HEARING

JANUARY 27, 2021

DEADLINE FOR WRITTEN PUBLIC COMMENT FEBRUARY 8, 2021

FORMAL CASE NO. 1162, IN THE MATTER OF THE APPLICATION OF WASHINGTON GAS LIGHT COMPANY FOR AUTHORITY TO INCREASE EXISTING RATES AND CHARGES FOR GAS SERVICE,

1. The Public Service Commission of the District of Columbia (Commission) hereby gives notice of a virtual public interest hearing to be held pursuant to Section 130.11 of the Commission's Rules of Practice and Procedure¹ to consider the Non-Unanimous Agreement of Stipulation and Full Settlement (Settlement Agreement) filed on December 8, 2020, in *Formal Case No. 1162*.² Washington Gas Light Company (WGL or Company) filed the Settlement Agreement on behalf of the Settling Parties, which are: WGL; the Office of the People's Counsel for the District of Columbia; the Apartment and Office Building Association of Metropolitan Washington; District of Columbia Government; U.S. General Services Administration; and Baltimore-Washington Construction and Public Employees Laborers' District Council. The virtual public interest hearing is scheduled for January 27, 2021, at 11:00 a.m.

2. On January 13, 2020, WGL filed an Application requesting authority to increase existing rates and charges for natural gas service in the District of Columbia. WGL indicated that the requested rates are designed to collect approximately \$200.4 million in total annual revenues, which represents an increase in the Company's weather-normalized annual revenues of no more than \$35.2 million, and would, if fully approved, result in an overall increase of approximately 14.7% in revenue collection over and above that collected through current bills. This revenue increase included \$9.1 million associated with natural gas system upgrades currently paid by customers through a monthly PROJECTpipes 1 surcharge. WGL also proposed a Revenue Normalization Adjustment (RNA) in its proposed rate structure.

3. The Settling Parties represent that the Settlement Agreement includes a WGL revenue increase of \$19.5 million over and above WGL's current revenues.³ The agreed-upon increase in revenues for WGL in the Settlement Agreement includes the transfer of \$99.5 million in plant in service from PROJECTpipes to rate base without attribution as to the merits of the prudence or reasonableness of the underlying projects.⁴ The Settling Parties agree that the \$19.5

¹ 15 DCMR § 130.11 (1992).

² *Formal Case No. 1162, In the Matter of the Application of Washington Gas Light Company for Authority to Increase Existing Rates and Charges for Gas Service* ("Formal Case No. 1162"), Non-Unanimous Agreement of Stipulation and Full Settlement, filed December 8, 2020 ("Settlement Agreement").

³ Settlement Agreement at 4.

⁴ Settlement Agreement at 5.

million revenue increase will be collected through a 15% increase in the Customer Charge for all Residential classes, with the remainder collected through the Distribution Charge. For non-Residential rate classes, the revenue increase will be distributed on an equal percentage basis to all charges. For residential heating and/or cooling customers that uses a monthly average of 59 therms, the monthly bill would increase by \$7.05. WGL agrees to increase the Residential Essential Service distribution credit from its proposed 90% level to a level of 100% of the distribution portion of eligible customers' bills.⁵ WGL agrees to withdraw its request for the RNA and will not file another base rate case proceeding that will have a related customer rate increase until August 31, 2021. Additionally, WGL agrees to file an annual report with the Commission that reports the greenhouse gas emissions associated with the Company's delivery of gas to District of Columbia customers in the previous calendar year.⁶

4. Copies of the proposed Settlement Agreement may be obtained by contacting Brinda Westbrook-Sedgwick, Commission Secretary, Public Service Commission of the District of Columbia, 1325 G Street, N.W., Suite 800, Washington, DC 20005 or by visiting the Commission's website at www.dcpssc.org. The proposed Settlement Agreement can also be accessed through the Commission's eDocket system in *Formal Case No. 1162*. Written comments by interested persons may be filed electronically on the Commission's website at https://edocket.dcpssc.org/public/public_comments, no later than the close of business, February 8, 2021, when the record closes. Persons with questions concerning this Notice should call (202) 626-5150 or send an email to psc-commissionsecretary@dc.gov.

⁵ Settlement Agreement at 7.

⁶ Settlement Agreement at 6.