

**PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1325 G STREET, N.W., SUITE 800
WASHINGTON, D.C. 20005**

PUBLIC NOTICE

April 25, 2017

**FORMAL CASE NO. 1142, IN THE MATTER OF THE MERGER OF ALTAGAS LTD.
AND WGL HOLDINGS, INC.**

1. By this Public Notice, the Public Service Commission of the District of Columbia (“Commission”) opens this proceeding to review the merger Application filed by AltaGas, Ltd. (“AltaGas”), WGL Holdings, Inc. (“WGL Holdings”), and Washington Gas Light Company (“WGL”) (collectively, “Joint Applicants”) pursuant to D.C. Code § 34-504 and 34-1001 on April 24, 2017.¹ The Joint Applicants propose to merge WGL Holdings, the parent of WGL, and Wrangler Inc. (“Merger Sub”), a wholly-owned indirect subsidiary of AltaGas (the “Merger”).² However, the Joint Applicants represent that WGL will continue to operate as a District of Columbia utility subject to the continuing jurisdiction of the Commission and without any reduction in the Commission’s existing oversight or authority.³ The Merger will be an all-cash transaction for approximately \$4.5 billion.

2. In order to facilitate a transparent and effective proceeding, the Commission is scheduling a procedural conference, including, but not limited to, the following issues:

- Factors to be considered in determining whether the Application is in the public interest;
- Identification of factual issues in dispute; and
- Procedural schedule for filing of testimony and briefs, discovery, settlement conferences, and evidentiary hearings.

3. This procedural conference, led by Commission staff, will commence at 10:00 a.m. on May 18, 2017 in the Commission’s Hearing Room. So that the Commission staff and interested persons are prepared for the procedural conference, the Commission directs interested persons to make any filings related to the above issues by May 15, 2017.

¹ *Formal Case No. 1142, In the Matter of the Merger of AltaGas Ltd. and WGL Holdings, Inc.*, Application of AltaGas Ltd., WGL Holdings, Inc. and Washington Gas Light Company (“Joint Application”), filed April 24, 2017.

² Joint Application at 1.

³ Joint Application at 7.

4. More specifically, interested persons who wish to participate fully in this proceeding should file petitions to intervene pursuant to 15 DCMR § 106 by May 15, 2017. Interested persons who wish to file statements but do not wish to file testimony or participate in evidentiary hearings may ask for limited appearance pursuant to 15 DCMR § 107 by May 15, 2017. It should be noted that persons need not be a party to the proceeding in order to provide comments on the Merger application. The Commission will also accept written comments from the public regarding the proposed transaction up until the close of the evidentiary record, which occurs after an evidentiary hearing. The Commission may also schedule one or more community hearings to receive public comment prior to the close of the record.

5. For the Commission to find that a transaction complies with D.C. Code §§ 34-504 and 34-1001, the Commission must determine that the transaction “taken as a whole must be consistent with the public interest.”⁴ To determine whether a transaction is in the public interest, the Commission has: (1) traditionally balanced the interests of shareholders and investors with ratepayers and the community; (2) determined that benefits to the shareholders must not come at the expense of the ratepayers; and (3) found that, to be approved, the transaction must produce a direct and tangible benefit to ratepayers.⁵

6. To determine whether these three public interest requirements are met, the Commission has in past merger cases identified several factors it considers in reviewing the nature of each transaction. Those factors include the effects of the transaction on: (1) ratepayers, shareholders, the financial health of the utilities standing alone and as merged, and the economy of the District; (2) utility management and administrative operations; (3) public safety and the safety and reliability of services; (4) risks associated with all of the Joint Applicants’ affiliated non-jurisdictional business operations, including nuclear operations; (5) the Commission’s ability to regulate the new utility effectively; (6) competition in the local retail, and wholesale markets that impacts the District and District ratepayers; and (7) conservation of natural resources and preservation of environmental quality.⁶ The Commission directs interested persons to comment by May 15, 2017, on whether these factors are appropriate for use in this proceeding. Interested persons may propose additions to or deletions from this list. Interested persons are also requested to identify issues and facts that may be in dispute and should be prepared to discuss these factors, issues, and facts at the May 18, 2017, procedural conference.

⁴ *Formal Case No. 1002, In the Matter of the Joint Application of Pepco and the New RC, Inc. for Authorization and Approval of Merger Transaction*, (“*Formal Case No. 1002*”) Order No. 12395, ¶ 17, rel. May 1, 2002.

⁵ *Formal Case No. 1002*, Order No. 12395, ¶ 17, rel. May 1, 2002. Citing *Formal Case No. 951, In the Matter of the Joint Application of Baltimore Gas and Electric Company, Potomac Electric Power Company and Constellation Energy Corporation for Authorization and Approval of Merger and for a Certificate Authorizing the Issuance of Securities*, Order No. 11075, pp. 17-18, rel. October 20, 1997.

⁶ *Formal Case No. 1119, In the Matter of the Joint Application of Exelon Corporation, Pepco Holdings, Inc., Potomac Electric Power Company, Exelon Energy Delivery Company, LLC and New Special Purpose Entity, LLC for Authorization and Approval of Proposed Merger Transaction* (“*Formal Case No. 1119*”), Order No. 17597, rel. August 22, 2014.

7. Finally, interested persons should propose procedural schedules that will permit a prehearing conference to finalize the issues that will be considered in this proceeding and the procedural schedule, filing of supplemental direct testimony by the Joint Applicants and direct testimony by the parties, discovery on direct testimony, filing of rebuttal testimony, discovery on rebuttal testimony, settlement conferences, community hearings, evidentiary hearings, and filing of post-hearing briefs and reply briefs. The Commission seeks proposed procedural schedules that will allow this proceeding to progress in a timely manner and encourages interested persons to identify areas of agreement and stipulations of specific facts and factors early in the proceeding.

8. The Commission favors coordination among interested persons, especially regarding procedural issues. To the extent that interested persons can collaborate on any of these issues and can file joint responses, the Commission supports such efforts.

9. Any interested person interested in responding to the Public Notice may do so by May 15, 2017. Responses are to be addressed to Brinda Westbrook-Sedgwick, Commission Secretary, Public Service Commission of the District of Columbia, 1325 G Street, N.W., Suite 800, Washington D.C., 20005. Copies of the Application may be obtained by visiting the Commission's website at www.dcpSC.org. Once at the website, open the "eDocket" tab, click on "Search database" and input "FC 1142" as the case number and "1" as the item number. Copies of the Application may also be purchased, at cost, by contacting the Commission Secretary at (202) 626-5150 or PSC-CommissionSecretary@dc.gov.