

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, JANUARY 21, 2016

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APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

CASE NO. PUE-2015-00138

For authority to amend its natural
gas conservation and ratemaking
efficiency plan

ORDER FOR NOTICE AND COMMENT

On December 31, 2015, pursuant to Chapter 25 of Title 56 of the Code of Virginia, §§ 56-600 *et seq.* and 5 VAC 5-20-10 of the Rules of Practice and Procedure ("Rules of Practice") of the State Corporation Commission ("Commission"), Washington Gas Light Company ("WGL" or "Company"), filed an application ("Application") for authority to amend and extend its natural gas conservation and ratemaking efficiency plan ("Amended CARE Plan").¹

In its Application, the Company proposes to revise and expand its portfolio of programs for residential, Commercial and Industrial ("C&I"), and Group Metered Apartment ("GMA") customers receiving service under Rate Schedule Nos. 1, 1A, 2, 2A, 3 and 3A. WGL also proposes to increase funding to provide additional home-energy audits and weatherization projects to Low-Income customers.

For residential customers, the Company's Application seeks approval of the following programs: (1) a revised Residential Equipment Program, which continues the High-Efficiency Gas Furnace (>90% AFUE) measure and adds new WiFi-Enabled Thermostat, Storage Water

¹ The Company's current CARE Plan was approved in *Application of Washington Gas Light Company, For authority to amend its natural gas conservation and ratemaking efficiency plan*, Case No. PUE-2012-00138, 2013 S.C.C. Ann. Rept. 335, Order Approving Amended Natural Gas Conservation and Ratemaking Efficiency Plan (Apr. 2, 2013).

Heater, and Tankless Water Heater measures; (2) a new Web-based Home Energy Audit with Energy Conservation Kits Program; (3) a revised Low-Income Home Energy Audit and Weatherization Program; (4) a new Residential Weatherization Program; and (5) an expanded Behavioral Program.²

Additionally, the Company proposes two programs for eligible C&I and GMA customers: (1) a new Direct Install Program; and (2) a revised Heating Equipment Program.³ The Company proposes to discontinue the following currently-approved commercial program measures: (1) Direct Contact Water Heater; (2) Infrared Heater; (3) Programmable Thermostat; (4) Boiler Turbulator; (5) Boiler Cut Out Control; (6) Boiler Outdoor Air Reset; (7) Commercial Combination Oven; (8) Commercial Rack Oven; (9) Commercial Conveyor Oven; (10) Commercial Steam Cooker; and (11) Low-Flow Spray Rinse Valve.⁴

In its Application, the Company proposes a total budget of \$12,342,505,⁵ for its Amended CARE Plan for a three-year period to be effective from the first day of the May 2016 billing cycle.⁶ The Company states that the incremental costs associated with the cost-effective conservation and energy efficiency programs proposed for the Amended CARE Plan will be recovered monthly through a Care Cost Adjustment ("CCA") applied to customers' bills. WGL will also implement a decoupling mechanism, called the Care Ratemaking Adjustment ("CRA"). According to the Company, both the CCA and the CRA will be calculated and implemented

² See Application at 3; Pre-Filed Direct Testimony of Sean Skulley ("Skulley Direct") at 6-18, Exhibit SDS-1.

³ See Application at 3; Skulley Direct at 26-29, Exhibit SDS-1.

⁴ Application at 5; Skulley Direct at 26-27, Exhibit SDS-1.

⁵ Application at 1. As proposed, \$10,600,244 of the total budget is targeted for residential programs, and \$1,742,261 is targeted for commercial programs. *Id.* at 3.

⁶ The Company notes that the first day of the May 2016 billing cycle will be April 29, 2016. *Id.* at 1.

using methodology previously approved by the Commission. Based on the Company's proposed expenditures, the Company's projections for the CCA for Virginia customers in the first year of the Amended CARE Plan are as follows: (i) \$6.75 for a typical residential customer using 735 therms per year; (ii) \$17.54 for a typical small C&I heating customer using 5,326 therms per year; and (iii) \$53.76 for a typical GMA heating customer using 16,315 therms per year.⁷

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the matter should be docketed; the Company should provide notice of its Application; interested parties should be given the opportunity to file comments, participate as a respondent in this proceeding, or request a hearing on the Application; the Staff of the Commission ("Staff") should investigate the Application and file a report on its findings and recommendations ("Staff Report"); and the Company should have an opportunity to respond to any comments, requests for hearing, and the Staff Report.

Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed as Case No. PUE-2015-00138.
- (2) On or before February 16, 2016, WGL shall cause a copy of the following notice to be published as display advertising (not classified) on one occasion in newspapers of general circulation throughout the Company's service territory within the Commonwealth of Virginia:

⁷ Application at 9-10; Pre-Filed Direct Testimony of David G. Mencarini, Exhibit DGM-3, Attachment A, page 1.

NOTICE TO THE PUBLIC OF AN APPLICATION BY
WASHINGTON GAS LIGHT COMPANY, FOR AUTHORITY
TO AMEND ITS NATURAL GAS CONSERVATION AND
RATEMAKING EFFICIENCY PLAN
CASE NO. PUE-2015-00138

On December 31, 2015, pursuant to Chapter 25 of Title 56 of the Code of Virginia, §§ 56-600 *et seq.* and 5 VAC 5-20-10 of the Rules of Practice and Procedure ("Rules of Practice") of the State Corporation Commission ("Commission"), Washington Gas Light Company ("WGL" or "Company"), filed an application ("Application") for authority to amend and extend its natural gas conservation and ratemaking efficiency plan ("Amended CARE Plan").

In its Application, the Company proposes to revise and expand its portfolio of programs for residential, Commercial and Industrial ("C&I"), and Group Metered Apartment ("GMA") customers receiving service under Rate Schedule Nos. 1, 1A, 2, 2A, 3 and 3A. WGL also proposes to increase funding to provide additional home-energy audits and weatherization projects to Low-Income customers.

For residential customers, the Company's Application seeks approval of the following programs: (1) a revised Residential Equipment Program, which continues the High-Efficiency Gas Furnace (>90% AFUE) measure and adds new WiFi-Enabled Thermostat, Storage Water Heater, and Tankless Water Heater measures; (2) a new Web-based Home Energy Audit with Energy Conservation Kits Program; (3) a revised Low-Income Home Energy Audit and Weatherization Program; (4) a new Residential Weatherization Program; and (5) an expanded Behavioral Program.

Additionally, the Company proposes two programs for eligible C&I and GMA customers: (1) a new Direct Install Program; and (2) a revised Heating Equipment Program. The Company proposes to discontinue the following currently-approved commercial program measures: (1) Direct Contact Water Heater; (2) Infrared Heater; (3) Programmable Thermostat; (4) Boiler Turbulator; (5) Boiler Cut Out Control; (6) Boiler Outdoor Air Reset; (7) Commercial Combination Oven; (8) Commercial Rack Oven; (9) Commercial Conveyor Oven; (10) Commercial Steam Cooker; and (11) Low-Flow Spray Rinse Valve.

In its Application, the Company proposes a total budget of \$12,342,505, for its Amended CARE Plan for a three-year period to be effective from the first day of the May 2016 billing cycle. The Company states that the incremental costs associated with the cost-effective conservation and energy efficiency programs proposed for the Amended CARE Plan will be recovered monthly through a Care Cost Adjustment ("CCA") applied to customers' bills. WGL will also implement a decoupling mechanism, called the Care Ratemaking Adjustment ("CRA"). According to the Company, both the CCA and the CRA will be calculated and implemented using methodology previously approved by the Commission. Based on the Company's proposed expenditures, the Company's projections for the CCA for Virginia customers in the first year of the Amended CARE Plan are as follows: (i) \$6.75 for a typical residential customer using 735 therms per year; (ii) \$17.54 for a typical small C&I heating customer using 5,326 therms per year; and (iii) \$53.76 for a typical GMA heating customer using 16,315 therms per year.

The details of these and other proposals are set forth in the Company's Application. Interested persons are encouraged to review the Company's Application and supporting testimony and exhibits for the details of these proposals.

The Commission entered an Order for Notice and Comment that, among other things, directed the Company to provide notice to the public and provided interested persons an opportunity to comment on the Company's Application.

A copy of the Company's Application may be obtained at no charge by requesting a copy of the same from the Company's counsel, Meera Ahamed, Esquire, Washington Gas Light Company, 101 Constitution Avenue, N.W., Washington, D.C. 20080. The Application and related documents also shall be available for review in the Commission's Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays. Interested persons also may download unofficial copies from the Commission's website: <http://www.scc.virginia.gov/case>.

On or before March 8, 2016, interested persons may file written comments on WGL's Application with Joel Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. Interested persons desiring to submit comments electronically may do so by

following the instructions on the Commission's website:
<http://www.scc.virginia.gov/case>. Comments shall refer to Case No. PUE-2015-00138.

On or before March 8, 2016, any interested person may participate as a respondent in this proceeding by filing a notice of participation in accordance with 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice. If not filed electronically, an original and fifteen (15) copies of the notice of participation shall be submitted to the Clerk of the Commission at the address set forth above. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. All filings shall refer to Case No. PUE-2015-00138.

On or before March 8, 2016, interested persons may request that the Commission convene a hearing on the Company's Application by filing a request for hearing with the Clerk of the Commission at the address set forth above. Requests for hearing must refer to Case No. PUE-2015-00138 and include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter.

A copy of any written comments, requests for hearing, and notices of participation shall simultaneously be sent to counsel for the Company: Meera Ahamed, Esquire, Washington Gas Light Company, 101 Constitution Avenue, NW, Washington, D.C. 20080.

WASHINGTON GAS LIGHT COMPANY

(3) On or before February 16, 2016, WGL shall serve a copy of this Order for Notice and Comment on the chairman of the board of supervisors and the county attorney of each county and upon the mayor or manager (or equivalent officials) of every city and town in which WGL provides service in the Commonwealth of Virginia. Service shall be made by personal delivery

or by first class mail, postage prepaid, to the customary place of business or residence of the person served.

(4) WGL shall promptly make a copy of the Application available to the public, who may obtain a copy of the Application at no charge by requesting a copy of the same in writing from the Company's counsel, Meera Ahamed, Esquire, Washington Gas Light Company, 101 Constitution Avenue, NW, Washington, D.C. 20080. The Application and related documents also shall be available for interested persons to review in the Commission's Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays. Interested persons also may download unofficial copies from the Commission's website:

<https://www.scc.virginia.gov/case>.

(5) On or before March 8, 2016, interested persons may file written comments concerning the issues in this case with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. Interested persons desiring to submit comments electronically may do so by following the instructions found on the Commission's website: <https://www.scc.virginia.gov/case>. Comments shall refer to Case No. PUE-2015-00138.

(6) On or before March 8, 2016, any interested person may participate as a respondent in this proceeding by filing a notice of participation in accordance with 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice. If not filed electronically, an original and fifteen (15) copies of the notice of participation shall be submitted to the Clerk of the Commission at the address set forth in Ordering Paragraph (5). Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Rules of Practice, any notice

of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. All filings shall refer to Case No.

PUE-2015-00138.

(7) On or before March 8, 2016, interested persons may request that the Commission convene a hearing on the Company's Application by filing a request for hearing with the Clerk of the Commission at the address set forth in Ordering Paragraph (5). Requests for hearing must refer to Case No. PUE-2015-00138 and include: (i) a precise statement of the filing party's interest in the proceedings; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter.

(8) A copy of any written comments, requests for hearing, and notices of participation shall simultaneously be sent to counsel for the Company, Meera Ahamed, Esquire, Washington Gas Light Company, 101 Constitution Avenue, NW, Washington, D.C. 20080.

(9) On or before March 15, 2016, WGL may file with the Clerk of the Commission any response to requests for hearing filed by interested persons in this proceeding.

(10) The Staff shall investigate the Application. On or before March 25, 2016, the Staff shall file with the Clerk of the Commission an original and fifteen (15) copies of a Staff Report containing its findings and recommendations and shall promptly serve a copy of the same on counsel to the Company and all respondents.

(11) On or before April 1, 2016, WGL may file with the Clerk of the Commission any response in rebuttal to the Staff Report and any comments filed by interested persons in this proceeding.

(12) On or before March 8, 2016, the Company shall provide the Commission with proof of notice and service required by Ordering Paragraphs (2) and (3).

(13) The Company shall respond to written interrogatories or requests for the production of documents within four (4) business days after receipt of the same. Except as so modified, discovery shall be in accordance with Part IV of the Commission's Rules of Practice.

(14) This matter is continued generally pending further order of the Commission.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:

Leslie T. Thornton, Esquire, Donald R. Hayes, Esquire, and Meera Ahamed, Esquire,
Washington Gas Light Company, 101 Constitution Avenue, NW, Washington, D.C. 20080; and
C. Meade Browder, Jr., Senior Assistant Attorney General, Office of the Attorney General,
Division of Consumer Counsel, 900 East Main Street, Second Floor, Richmond, Virginia 23219;
and a copy shall be delivered to the Commission's Office of General Counsel and Divisions of
Energy Regulation and Utility Accounting and Finance.