

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, AUGUST 10, 2017

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APPLICATION OF

WASHINGTON GAS LIGHT COMPANY

CASE NO. PUR-2017-00102

For approval to amend its SAVE
Plan pursuant to § 56-604 B
of the Code of Virginia

ORDER FOR NOTICE AND COMMENT

On July 25, 2017, in accordance with § 56-604 B of the Code of Virginia ("Code"), a provision of the Steps to Advance Virginia's Energy (SAVE) Plan Act,¹ Washington Gas Light Company ("WGL" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for approval to amend and extend its current SAVE Plan,² which expires on December 31, 2017.³ In this Application, WGL proposes to invest approximately \$543 million over a five-year period to continue work on previously approved distribution and transmission system accelerated replacement programs. Additionally, the Company proposes revisions to several of the distribution programs. Specifically, the Company proposes to (i) expand its Bare and/or Unprotected Steel Main Replacement program to include the total population of this category of pipe in WGL's distribution system; and (ii) include replacement of branched services in its (a) Copper Service Replacement, (b) Mechanically Coupled Pipe Replacement, and (c) Pre-1975 Plastic Service Replacement programs.⁴

¹ See § 56-603 *et seq.* of the Code ("SAVE Act").

² See *Application of Washington Gas Light Company, For Authority to Amend its SAVE Plan pursuant to § 56-604 B of the Code of Virginia*, Case No. PUE-2015-00017, 2015 S.C.C. Ann. Rept. 282, Order (June 5, 2015).

³ Application at 1.

⁴ Application at 7-8, and Direct Testimony of Kristopher J. Kelley at 5.

The Company anticipates that, of the approximately \$84 million proposed accelerated replacement investment for calendar year 2018, \$69.4 million will be utilized for replacement of distribution system facilities while \$14.5 million will be utilized for replacement of transmission system facilities.⁵ The Company proposes to recover its anticipated expenditures through a monthly rider on customers' bills, as required by § 56-604 A of the SAVE Act. According to the Company, the total 2018 SAVE Rider revenue requirement is \$19,803,851, which is comprised of a Current Factor revenue requirement of \$13,105,463 and a Reconciliation Factor revenue requirement of \$6,698,388.⁶ The Company states that the annual amount of the SAVE Rider for 2018 for a typical residential customer with annual usage of 756 therms is estimated at \$27.⁷

The Company states that expenditures for SAVE Plan programs will continue to be capped at 105% of the total SAVE Plan approved amount and that annual expenditures will not exceed 125% of the amount approved for each year.⁸

NOW THE COMMISSION, having considered the Company's Application and the applicable law, is of the opinion and finds that it should docket this matter; that WGL should provide public notice of its Application; that interested persons should be afforded an opportunity to file comments on the Company's Application, file notices of participation, or request a hearing on the Application; and that the Staff of the Commission ("Staff") should investigate the Application and file a Report containing its findings and recommendations.

⁵ Application at 6.

⁶ Direct Testimony of R. Andrew Lawson, Exhibit RAL-1, Schedule 1.

⁷ Application at 6.

⁸ *Id.*

Accordingly, IT IS ORDERED THAT:

(1) WGL's Application is docketed as Case No. PUR-2017-00102.

(2) As provided by § 12.1-31 of the Code and Rule 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"),⁹ a Hearing Examiner is appointed to rule on any discovery matters that may arise in this proceeding.

(3) On or before September 11, 2017, the Company shall cause a copy of the following notice to be published as display advertising (not classified) on one (1) occasion in newspapers of general circulation throughout the Company's service territory within the Commonwealth of Virginia:

NOTICE TO THE PUBLIC OF AN APPLICATION BY
WASHINGTON GAS LIGHT COMPANY, FOR APPROVAL
TO AMEND ITS SAVE PLAN PURSUANT TO § 56-604 B OF
THE CODE OF VIRGINIA
CASE NO. PUR-2017-00102

On July 25, 2017, in accordance with § 56-604 B of the Code of Virginia, a provision of the Steps to Advance Virginia's Energy (SAVE) Plan Act, Washington Gas Light Company ("WGL" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for approval to amend and extend its current SAVE Plan, which expires on December 31, 2017.

In this Application, WGL proposes to invest approximately \$543 million over a five-year period to continue work on previously approved distribution and transmission system accelerated replacement programs. Additionally, the Company proposes revisions to several of the distribution programs. Specifically, the Company proposes to (i) expand its Bare and/or Unprotected Steel Main Replacement program to include the total population of this category of pipe in WGL's distribution system; and (ii) include replacement of branched services in its (a) Copper Service Replacement, (b) Mechanically Coupled Pipe

⁹ 5 VAC 5-20-10 *et seq.*

Replacement, and (c) Pre-1975 Plastic Service Replacement programs.

The Company anticipates that, of the approximately \$84 million proposed accelerated replacement investment for calendar year 2018, \$69.4 million will be utilized for replacement of distribution system facilities while \$14.5 million will be utilized for replacement of transmission system facilities. The Company proposes to recover its anticipated expenditures through a monthly rider on customers' bills, as required by § 56-604 A of the SAVE Act. According to the Company, the total 2018 SAVE Rider revenue requirement is \$19,803,851, which is comprised of a Current Factor revenue requirement of \$13,105,463 and a Reconciliation Factor revenue requirement of \$6,698,388. The Company states that the annual amount of the SAVE Rider for 2018 for a typical residential customer with annual usage of 756 therms is estimated at \$27.

The Company states that expenditures for SAVE Plan programs will continue to be capped at 105% of the total SAVE Plan approved amount and that annual expenditures will not exceed 125% of the amount approved for each 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 exhibits for the details of these proposals.

TAKE NOTICE that the Commission may apportion revenues among customer classes and/or design rates in a manner differing from that shown in the Application and supporting documents and thus may adopt rates that differ from those appearing in the Company's Application and supporting documents.

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 are available for review in the Commission's Document Control Center located

on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, 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 September 18, 2017, interested persons may file written comments on WGL's Application with Joel H. Peck, Clerk, State Corporation Commission, P.O. Box 2118, Richmond, Virginia 23218. On or before September 18, 2017, 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. PUR-2017-00102.

On or before September 18, 2017, interested persons desiring to participate as a respondent in this proceeding shall file a notice of participation as a respondent pursuant to Rule 5 VAC 5-20-80 B of the Commission's Rules of Practice and Procedure. If not filed electronically on the Commission's website: www.scc.virginia.gov/case, an original and fifteen (15) copies of the notice of participation shall be filed with the Clerk of the Commission at the address set forth above. The 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. PUR-2017-00102, and copies thereof shall simultaneously be served on counsel for the Company.

On or before September 18, 2017, any interested person may request a hearing in this matter by filing a request for hearing. Any request for hearing shall state with specificity why a hearing should be conducted in this matter and why such issues cannot be addressed adequately in comments without a hearing. If not filed electronically on the Commission's website: www.scc.virginia.gov/case, an original and fifteen (15) copies of any request for hearing shall be filed with the Clerk of the Commission at the address set forth above. Any such filings shall refer to Case No. PUR-2017-00102, and copies thereof shall simultaneously be served on counsel for the Company.

The Commission's Rules of Practice and Procedure may be viewed at the Commission's website: <http://www.scc.virginia.gov/case>. A printed copy of the Commission's Rules of Practice and Procedure and an official copy

of the Commission's Order for Notice and Comment in this proceeding may be obtained from the Clerk of the Commission at the address set forth above.

WASHINGTON GAS LIGHT COMPANY

(4) On or before September 11, 2017, WGL shall serve a copy of this Order for Notice and Comment on the chairman of the board of supervisors and county attorney of each county and upon the mayor or manager (or upon equivalent officials) of every city and town in which the Company 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.

(5) WGL promptly shall 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, N.W., 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 located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, 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>.

(6) On or before September 18, 2017, interested persons may file comments concerning the issues in this case with Joel H. Peck, Clerk, State Corporation Commission, P.O. Box 2118, Richmond, Virginia 23218. On or before September 18, 2017, interested persons desiring to submit comments electronically may do so by following the instructions found on the

Commission's website: <http://www.scc.virginia.gov/case>. Comments shall refer to Case No. PUR-2017-00102.

(7) On or before September 18, 2017, 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 (6). 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. PUR-2017-00102.

(8) On or before September 18, 2017, interested persons may request that the Commission convene a hearing on the Company's Application by filing an original and fifteen (15) copies of a request for hearing with the Clerk of the Commission at the address set forth in Ordering Paragraph (6), or by filing a request for hearing electronically by following the instructions found on the Commission's website: www.scc.virginia.gov/case. Requests for hearing must include: (i) a precise statement why a hearing should be conducted in this matter; and (ii) a precise statement why such issues cannot be addressed adequately in comments. All such filings shall refer to Case No. PUR-2017-00102.

(9) A copy of any requests for hearing and notices of participation simultaneously shall be sent to counsel for the Company at the address set forth in Ordering Paragraph (5).

(10) The Staff shall investigate the Application. On or before October 18, 2017, 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 promptly shall serve a copy of the same on counsel to the Company and all respondents.

(11) On or before October 25, 2017, 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 September 25, 2017, the Company shall provide the Commission with the proof of notice and service required by Ordering Paragraphs (3) and (4), respectively.

(13) The Company shall respond to written interrogatories or requests for the production of documents within four (4) calendar days after the receipt of the same. In addition to the service requirements of 5 VAC 5-20-260, *Interrogatories or requests for production of documents and things*, of the Rules of Practice, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be served electronically, or by facsimile, on the party to whom the interrogatory or request for production is directed or the assigned Staff attorney, if the interrogatory or request for production is directed to the Staff.¹⁰ 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.

¹⁰ The assigned Staff attorney is identified on the Commission's website: <http://www.scc.virginia.gov/case>, by clicking "Docket Search," and clicking "Search Cases," and entering the case number, PUR-2017-00102, in the appropriate box.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:
Meera Ahamed, Esquire, Washington Gas Light Company, 101 Constitution Avenue, N.W.,
Washington, D.C. 20080; and C. Meade Browder, Jr., Senior Assistant Attorney General, Office
of the Attorney General, Division of Consumer Counsel, 202 N. 9th Street, 8th Floor, Richmond,
Virginia 23219-3424. A copy also shall be delivered to the Commission's Office of General
Counsel and Divisions of Utility and Railroad Safety, Public Utility Regulation, and Utility
Accounting and Finance.