

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, SEPTEMBER 18, 2019

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APPLICATION OF

WASHINGTON GAS LIGHT COMPANY

CASE NO. PUR-2019-00142

For Approval of the SAVE Rider for
Calendar Year 2020

ORDER FOR NOTICE AND COMMENT

On September 3, 2019, and pursuant to § 56-604 E of the Code of Virginia ("Code"), Washington Gas Light Company ("WGL" or "Company") filed with the State Corporation Commission ("Commission") an Application for Approval of the SAVE Plan Rider for Calendar Year 2020 ("2020 SAVE Rider" or "Application") for approval of its annual adjustment of its Commission-approved Steps to Advance Virginia's Energy plan ("SAVE Plan"),¹ under which the Company's 2020 SAVE Rider is reconciled and adjusted.

The Company's SAVE Plan is designed to facilitate the accelerated replacement of SAVE-eligible natural gas infrastructure.² The 2020 SAVE Rider is designed to recover eligible infrastructure replacement costs associated with the SAVE Plan.³ WGL states that the calculation of the revenue requirement and rates associated with the 2020 SAVE Rider consist of two components: the "Current Factor" and the "Reconciliation Factor"; which were approved by

¹ *Application of Washington Gas Light Company, For Authority to amend its SAVE plan pursuant to Virginia Code § 56-604 B, Case No. PUR-2017-00102, Order Approving SAVE Plan and Rider (November 21, 2012) ("2017 SAVE Order").*

² Application at 3-5.

³ Application at 6-7.

the Commission in its 2017 SAVE Order.⁴ According to the Company, the "Current Factor" is based on SAVE Plan program expenditures projected for 2020 approved in Case No. PUR-2017-00102, and the "Reconciliation Factor" is computed in accordance with Code § 56-604 E, for the twelve-month period ended April 30, 2019.⁵

WGL projects for calendar year 2020, approximately \$103,165,000 of SAVE Plan distribution replacement expenditures⁶ and approximately \$28,605,000 of SAVE Plan transmission replacement expenditures.⁷ WGL further states that the total proposed expenditures "does not exceed the 125% of the investment amount [previously] approved for calendar year 2020 in Case No. PUR-2017-00102."⁸ The Company states that, based on its projected SAVE Plan expenditures (January 1, 2020, to December 31, 2020), the eligible infrastructure replacement costs to be included in the SAVE Rider Current Factor, will be approximately \$14,204,033.⁹ An additional (\$140,081) from the SAVE Rider Reconciliation Factor, reduces the overall 2018 SAVE Factor Revenue Requirement to \$14,063,952.¹⁰

WGL states that the "Reconciliation Factor" component of the 2020 SAVE Rider compares actual costs incurred and recovered over the period from May 1, 2018, to April 30, 2019, and that the Company expects an under-collection from the Residential customer class and

⁴ *Id.* at 1.

⁵ Application at 1 and 6.

⁶ *Id.* at 7.

⁷ *Id.*

⁸ *Id.* at 8.

⁹ *Id.* at 8 and Appendix A – Items 4-6, Schedule 1.

¹⁰ Application at Appendix A – Items 4-6, Schedule 1.

an over-collection from the Commercial and Industrial, Group Metered Apartments, and Interruptible customer classes.¹¹ To correct these over/under collections as well as provide funding for the 2020 SAVE Rider revenue requirement, WGL seeks approval to apply its combined 2020 SAVE Rider rates to meter readings beginning on the first day of January 2020 billing cycle, as a separate line item labeled "All Applicable Riders."¹² For the typical residential customer, the per therm 2020 SAVE Rider rate will be \$0.0277,¹³ or \$1.75 per month (based on residential customer usage of 756 therms of gas annually).¹⁴

NOW THE COMMISSION, having considered the Application and applicable law, is of the opinion and finds that this matter should be docketed; 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 and request a hearing; and that the Commission Staff ("Staff") should investigate the Application and file a report containing the Staff's findings and recommendations.

Accordingly, IT IS ORDERED THAT:

- (1) WGL's Application is docketed as Case No. PUR-2019-00142.
- (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"),¹⁵

¹¹ *Id.* at 9.

¹² Application at 10.

¹³ *Id.* at 10.

¹⁴ *Id.* at 1-2.

¹⁵ 5 VAC 5-20-10 *et seq.*

a Hearing Examiner is appointed to rule on any discovery matters that may arise in this proceeding.

(3) On or before October 4, 2019, 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
OF ITS 2020 SAVE RIDER
CASE NO. PUR-2019-00142

On September 3, 2019, pursuant to § 56-604 E of the Code of Virginia ("Code"), Washington Gas Light Company ("WGL" or "Company") filed with the State Corporation Commission ("Commission") its annual adjustment application with respect to its Commission-approved Steps to Advance Virginia's Energy plan ("SAVE Plan"), under which WGL's SAVE Rider, designated 2020 SAVE Rider, is reconciled and adjusted ("Application").

The Company's SAVE Plan is designed to facilitate the accelerated replacement of SAVE-eligible natural gas infrastructure. The 2020 SAVE Rider is designed to recover eligible infrastructure replacement costs associated with the SAVE Plan. WGL states that the calculation of the revenue requirement and rates associated with the 2020 SAVE Rider consists of two components: the "Current Factor" and the "Reconciliation Factor," which were approved by the Commission in its 2017 SAVE Order. According to the Company, the "Current Factor" is based on SAVE Plan program expenditures projected for 2020 and approved in Case No. PUR-2017-00102, and the "Reconciliation Factor" is computed in accordance with Code § 56-604 E, for the twelve-month period ended April 30, 2019.

WGL projects for calendar year 2020 approximately \$103,165,000 of SAVE Plan distribution replacement expenditures and approximately \$28,605,000 of SAVE Plan transmission replacement expenditures. WGL further states that the total proposed expenditures "does not exceed the 125% of the investment amount [previously] approved for calendar year 2020 in Case No. PUR-2017-00102. The Company states that based on

its projected SAVE Plan expenditures (January 1, 2020, to December 31, 2020), the eligible infrastructure replacement costs to be included in the SAVE Rider Current Factor will be approximately \$14,204,033. An additional (\$140,081) from the SAVE Rider Reconciliation Factor reduces the overall 2018 SAVE Factor Revenue Requirement to \$14,063,952.

WGL states that the "Reconciliation Factor" component of the 2020 SAVE Rider compares actual costs incurred and recovered over the period from May 1, 2018, to April 30, 2019, and that the Company expects an under-collection from the Residential customer class and an over-collection from the Commercial and Industrial ("C&I"), Group Metered Apartments ("GMA") and Interruptible customer classes. To correct these over/under collections as well as provide funding for the 2020 SAVE Rider revenue requirement, WGL seeks approval to apply its combined 2020 SAVE Rider rates to meter readings beginning on the first day of January 2020 billing cycle, as a separate line item labeled "All Applicable Riders."¹⁶ For the typical residential customer, the per therm 2020 SAVE Rider rate will be \$0.0277,¹⁷ or \$1.75 per month (based on residential customer usage of 756 therms of gas annually). The 2020 SAVE Rider rate for WGL's other customer classes will be as follows: C&I will be \$0.0105; GMA will be \$0.0120; and Interruptible customers will be \$0.0045.

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.

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, 1000 Maine Ave., SW, Suite 700, Washington, D.C. 20024. The Application and related documents also are available for review in the Commission's Document Control Center located

¹⁶ Application at 10.

¹⁷ *Id.* at 10.

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 October 31, 2019, 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 October 31, 2019, 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-2019-00142.

On or before October 31, 2019, interested persons desiring to participate as a respondent in this proceeding shall file an original and fifteen (15) copies of 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. The notice of participation shall be filed with the Clerk of the Commission at the address set forth above or filed electronically by following the instructions found on the Commission's website: <http://www.scc.virginia.gov/case>. 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-2019-00142, and copies thereof shall simultaneously be served on counsel for the Company.

On or before October 31, 2019, any interested person may request a hearing in this matter by filing an original and fifteen (15) copies of a request for hearing. Any request for hearing shall state with specificity why the issues raised in the request for hearing cannot be adequately addressed without a hearing. All such requests for hearing shall be filed with the Clerk of the Commission at the address set forth above, or filed electronically by following the instructions found on the Commission's website: <http://www.scc.virginia.gov/case>. Any such filings shall refer to Case No. PUR-2019-00142, and copies thereof shall simultaneously be served on counsel for the Company.

WASHINGTON GAS LIGHT COMPANY

(4) On or before October 4, 2019, WGL shall serve a copy of this Order for Notice and Comment on the following officials, to the extent the position exists, in each county, city, and town in which the Company provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city and town; and the county, city, or town attorney. Service shall be made by either personal delivery or first-class mail 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, 1000 Maine Ave., SW, Suite 700, Washington, D.C. 20024. 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 October 31, 2019, 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 October 31, 2019, 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-2019-00142.

(7) On or before October 31, 2019, 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 Commission's 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-2019-00142.

(8) On or before October 31, 2019, 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: <http://www.scc.virginia.gov/case>. Requests for hearing must 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. All such filings shall refer to Case No. PUR-2019-00142.

(9) A copy of any request for hearing and notice 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 November 13, 2019, 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 November 20, 2019, 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 November 1, 2019, the Company shall provide the Commission with the proof of notice and service required by Ordering Paragraphs (3) and (4), respectively.

(13) All documents filed with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

(14) 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 Commission's 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.¹⁸ Except as so modified, discovery shall be in accordance with Part IV of the Commission's Rules of Practice.

(15) 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: Meera Ahamed, Esquire, Washington Gas Light Company, 1000 Maine Ave., SW, Suite 700, Washington, D.C. 20024; and C. Meade Browder, Jr., Senior Assistant Attorney General,

¹⁸ 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-2019-00142, in the appropriate box.

Division of Consumer Counsel, Office of the Attorney General, 202 N. 9th Street, 8th Floor,
Richmond, Virginia 23219. A copy hereof also shall be delivered to the Commission's Office of
General Counsel and Divisions of Public Utility Regulation and Utility Accounting and Finance.

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