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People's Counsel

April 11, 2024

Brinda Westbrook-Sedgwick
Commission Secretary
Public Service Commission
of the District of Columbia
1325 G Street, N.W., Suite 800
Washington, D.C. 20005

Re: Formal Case No. 1142, *In the Matter of the Merger of AltaGas, Ltd. and Washington Gas Holdings, Inc.*

Dear Ms. Westbrook-Sedgwick:

The Office of the People's Counsel for the District of Columbia ("OPC") respectfully submits this letter in support of the District of Columbia Government's ("DCG" or "the District") Comments on AltaGas Ltd.'s ("AltaGas" or "the Company") Response to Show Cause Order¹.

As the Commission previously noted, Term 5 of the AltaGas and WGL merger agreement was one of the direct and tangible benefits to ratepayers that the Commission considered in its public interest evaluation of the merger, and the only real climate initiative that the merged entities offered.² OPC urges the Commission to ensure delivery of Term 5's benefit to ratepayers; to adopt the maximum statutory penalty of \$5,000 per day during AltaGas' period of noncompliance; and to conduct significant due diligence prior to authorizing the Company's new SREC Purchase Agreement as a vehicle for AltaGas to satisfy its Term 5 obligations through specific performance.

OPC shares DCG's view that a series of Commission orders on AltaGas' failure to meet Term 5 obligations requires the statutory maximum penalty of \$5,000 per day. As DCG notes, if AltaGas fulfills its Term 5 obligation by December 31, 2024, as it now predicts, a \$5,000 per day penalty would total \$2.754 million, an amount well below any of the District's Department of Energy and Environment (DOEE) previous suggestions on an adequate penalty. Therefore, no offset for the Company's purported good faith efforts is warranted. Moreover, AltaGas' proposed penalty scheme that decreases over time fails to reflect the gravity and duration of its breach of Term 5; therefore, by imposing the maximum statutory penalty, the Commission will advance its stated enforcement policy that any penalty must be so significant that the penalty does not become an alternative to compliance.

¹ *Formal Case No. 1142, In the Matter of the Merger of AltaGas Ltd. and WGL Holdings, Inc.*, AltaGas Response to Show Cause Order, filed March 25, 2024.

² *Formal Case No. 1142, In the Matter of the Merger of AltaGas Ltd. and WGL Holdings, Inc.*, Order No. 21912, ¶11. October 5, 2023.

In addition, consistent with DCG's recommendation, OPC urges the Commission to place parameters around what projects can count towards fulfilling AltaGas' Term 5 obligation under its newly proposed SREC Purchase Agreement. Specifically, if the Commission is going to allow these projects to count towards satisfaction of AltaGas' Term 5 obligations, then the Commission should conduct at least as much due diligence on the arrangement as it did previously given that the Company's latest Term 5 quarterly report shows fundamental differences between the newly proposed projects and previous ones.

Sincerely,

/s/ Sandra Mattavous-Frye

Sandra Mattavous-Frye

People's Counsel for the District of Columbia

CERTIFICATE OF SERVICE

Formal Case No. 1142, In the Matter of the Merger of AltaGas Ltd. and WGL Holdings, Inc.

I certify that on April 11, 2024, a copy of the *Office of the People's Counsel for the District of Columbia's Letter in Support of the District of Columbia Government's Comments on AltaGas Ltd.'s Response to Show Cause Order* was served on the following parties of record by hand delivery, first class mail, postage prepaid or electronic mail:

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