

April 30, 2024

VIA ELECTRONIC FILING

Brinda Westbrook-Sedgwick
Commission Secretary
Public Service Commission
of the District of Columbia
1325 "G" Street, N.W., 8th Floor
Washington, D.C. 20005

Re: **WGCAM**
[Washington Gas's Cost Allocation Manual - PUBLIC]

Dear Ms. Westbrook-Sedgwick:

Transmitted for filing is the public version of Washington Gas Light Company's Cost Allocation and Inter-Company Pricing Manual for the District of Columbia. A confidential version of this document is being filed under separate cover.

Sincerely,



Cathy Thurston-Seignious
Supervisor, Administrative and
Associate General Counsel

cc: Per Certificate of Service



WASHINGTON GAS LIGHT COMPANY

December 31, 2023

Cost Allocation And Inter-company Pricing Manual

Annual Report of Transactions Between Washington Gas Light
Company and its Affiliates

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Purpose of Manual

Accurately recording operating costs and properly assigning or allocating those costs among Washington Gas Light Company (the Company, the Utility or Washington Gas), its various pre-merger affiliates, including WGL Holdings, Inc. (WGL Holdings, WGLH), Hampshire Gas Company (Hampshire) and other WGLH subsidiaries, and post-merger affiliates (Altgas, Ltd., Petrogas, Inc., Wrangler SPE¹, AltaGas Services (U.S.), Inc. (ASUS), ²and ASUS' Subsidiaries³) are important for accurate financial reporting and accounting for the on-going business activities of each affiliate and the consolidated entity. Note that Sections I-V of this Manual reflect the descriptions and services in-effect for the majority of 2023 and do not reflect the updated services agreements filed in December 2023.

This Cost Allocation Manual (CAM) describes how the cost of shared services are assigned, allocated and billed. Shared services may be provided by Washington Gas to its affiliates, or it may receive certain shared services from its corporate parent or other affiliates. The purpose of the CAM is to document the methodologies and procedures for allocating the costs of shared assets, shared employees and common services between the Utility and its affiliates. The CAM also serves as an aid in identifying the transactions that are taking place between the Utility and its affiliates and assists the various regulators in verifying that appropriate cost allocations are being made. The following appendices are incorporated for reference:

- A Listing of Affiliate Agreements with Washington Gas, affiliate's statement of business, and organizational chart (Appendix A);
- The Officers for Washington Gas and each Affiliate (Appendix B);
- Washington Gas Time and Labor Reporting Procedures (Appendix C);
- Washington Gas General Allocation Methodology (Appendix D);
- Washington Gas Methodology for Overhead Calculations (Appendix E);
- A listing of the transactions allocated or charged directly between the Utility and corporate affiliates (Appendix F).

The CAM summarizes the procedures in place to assign or allocate shared costs. The Vice President and Controller of the Company is responsible for implementing and maintaining processes and procedures designed to achieve the fair and equitable assignment and allocation of costs including: i) designing and maintaining an effective account coding structure, ii) establishing procedures to properly code transactions such as time sheets and invoices, iii) designing and maintaining cost allocation processes and procedures, and iv) monitoring the results of coding and allocation processes for consistency with management intent and for compliance with the laws, rules and regulations of the various jurisdictions within which the Company operates. Business

¹ Wrangler SPE is a bankruptcy remote special purpose entity ("SPE") established to hold the common equity of Washington Gas as a ring-fencing protection measure (See PUR-2018-00103 filed on July 9, 2018 with the Virginia SCC for purpose and detail of activities of the SPE).

² ASUS is the U.S. Holding company for AltaGas's investments in the United States. ASUS indirectly owns 100% of the stock of WGL Holdings and Wrangler SPE, LLC.

³ On July 6, 2018, Washington Gas's parent, WGL Holdings, merged with AltaGas, Ltd (AltaGas). Post-merger, Washington Gas began receiving shared corporate services from ASUS, as allocated from AltaGas. As of December 31, 2023, Washington Gas provides certain existing shared services to AltaGas subsidiaries: (1) ASUS; (2) AltaGas Power Holdings (U.S.) Inc. (APHUS); (3) AltaGas Utility Holdings (U.S.) Inc. (AUHUS); (4) AltaGas Marketing (U.S.) Inc. (AMUS); (5) AltaGas Blythe Operations Inc.; (6) Blythe Energy, Inc.; (7) AltaGas Sonoran Energy Inc.; (8) SEMCO Energy, Inc. (SEMCO), and (9) Petrogas, Inc. (Petrogas).

unit managers are charged with the responsibility for compliance with these procedures and for accurate coding of transactions and time by their respective personnel.

Cost Assignment and Allocation Objectives

General Approach

The primary objective of Washington Gas' cost accounting methodology is to create a framework where all costs (labor, overheads, and other expenses) are properly attributed to the entity responsible for generating the expense or receiving the benefit of a service. Washington Gas utilizes a fully distributed cost accounting process that accumulates costs and bills amounts to affiliates. The fully distributed cost approach assigns costs either as direct labor charges (with appropriate overheads) and direct expenses, or as allocations of labor and expenses based on factors that are both relevant and measurable for the individual type of cost. This framework results in an assignment or allocation of costs that places all expenses with the appropriate business entity.

It is the policy of Washington Gas and all its affiliates that costs will be directly assigned to the appropriate affiliate whenever reasonably possible, and that such costs will be allocated whenever direct assignment is not reasonably possible. Direct costs that benefit an affiliate are "assigned and billed" directly to the appropriate affiliate. For common services, tracking direct costs is not reasonable because one or more affiliates benefit from the expenditures. In such cases, these direct costs are allocated based on appropriate allocation factors described herein. Where appropriate, indirect costs are allocated based on the assignment or allocation of the related direct costs. It is the general intent to allocate operational costs to operational affiliates rather than holding companies.

Assignment of Direct Labor and Direct Expense Charges

As described above, Washington Gas's policy and practice is to assign costs directly to the appropriate business entity whenever possible and practicable. All Washington Gas employees' direct labor hours are recorded and captured in WorkDay, Washington Gas's time and expense reporting system, following the Company's Time and Labor Reporting Procedure (see Appendix C for a summary of this procedure). Washington Gas employees code to time sheets in WorkDay, which interfaces directly into the Company's general ledger accounting system, and charge labor costs to the appropriate affiliate company based on actual time spent serving each affiliate. The procedures for calculating and charging overheads are described in Appendix E.

Payroll-related overhead expenses associated with direct labor assigned to the appropriate affiliate are allocated each accounting period based upon the current period's labor costs multiplied by a specific benefit overhead rate. The specific benefit overhead rate is calculated as a percentage of the specific budgeted benefit costs compared to the total budgeted labor costs. Management will compare the actual costs vs. budgeted costs on a periodic basis and adjust the cost to actual cost if the variance exceeds the established threshold.

Direct non-labor expenses are charged directly to the business entity receiving the benefit.

In some cases, Washington Gas will pay an invoice on behalf of an affiliate and will subsequently be reimbursed by that affiliate (Direct reimbursements). Direct reimbursements are not for actual services provided by Washington Gas. Any payments made by Washington Gas on behalf of an affiliate are cash-settled by the Affiliate in the period immediately following the transactions.

Allocation of Internal Common Services Benefiting Multiple Affiliates

There may be occasions when more than one entity should bear certain costs and under these circumstances, the cost is allocated among the appropriate business entities based on defined factors.

Washington Gas has identified certain departments that perform centralized shared services that clearly benefit Washington Gas and one or more affiliates, including AltaGas' affiliates. Examples of such departments include Accounting and Tax, Corporate Communications, and Finance. By definition, shared services within these functions support multiple affiliates within the corporate function. For these types of services, there is no specific measure, and it is not practical to directly assign departmental costs (or benefits) to individual affiliates. Therefore, an allocation will be utilized. The Company's primary methodology to apply such allocations is described in Appendix D and is referred to as the "General Allocation Method" throughout Section IV of this CAM. The General Allocation Method is based on the Modified Massachusetts Formula (MMF), which fairly apportions the expenses to the benefiting operating affiliates. The calculation is reviewed by Washington Gas management and the methodology is approved by the Company's Vice President and Controller.

For other common services not allocated using the General Allocation Method, a specific allocation measure may be used approved by the Company's Vice President and Controller. In addition, there are other departments within Washington Gas (e.g. Field Operations, Construction, etc.) that may not be specifically addressed in this CAM, whose primary function is to perform utility-based activities. For these departments, their costs are charged directly to the Utility. If one of these departments performed activities benefitting an affiliate, the related costs associated with those activities would be directly assigned or allocated to the affiliate(s) as prescribed in this manual.

Following the merger with Altagas, Washington Gas (and its legacy WGL Holdings affiliates) are allocated certain corporate shared services from AltaGas⁴. These services include costs for internal Board of Directors fees, Executive Committee services, Finance, Accounting and Tax services, Legal and Compliance services, Information Technology and ERP services, Procurement, and Investor Relations activities. The consolidated corporate shared costs are allocated by AltaGas to ASUS, which then allocates those costs to all AltaGas US affiliates, including Washington Gas. Washington Gas is allocated the corporate shared costs for services

⁴ Costs for corporate services are allocated to AltaGas' business units and subsidiaries using a Modified Massachusetts Formula (MMF). AltaGas's MMF uses three factors: (i) EBITDA, (ii) payroll, and (iii) property (net plant, property and equipment, including construction work in progress, materials and inventories).

provided to both Washington Gas and its legacy affiliates. Washington Gas in turn allocates these costs to its legacy affiliates using the General Allocation Methodology, similar to its practice prior to the merger close. The allocation of costs from ASUS is done utilizing the same MMF allocation methodology/formula that Washington Gas has historically utilized.

Allocation of Outside Services Provided Benefiting Multiple Affiliates

In certain instances, either WGLH, Washington Gas, ASUS, or AltaGas will engage for services or purchase certain goods and services that benefit one or more of its direct and indirect affiliates (e.g. financial audit fees) – these are typically described as external corporate services. In these cases, the cost of these goods and services is allocated to the affiliate consistent with the benefit(s) received. When possible, specific costs associated with a certain affiliate are charged directly. In other cases, these charges may be allocated across the affiliates using an allocation factor approved by the Vice President and Controller (e.g. MMF). A few specific examples include the following:

Financial Services Costs

Washington Gas, WGL Energy Services, Inc. (WGL Energy Services or WGES), and Hampshire Gas Company (Hampshire Gas, Hampshire) have individual standalone audits or agreed-upon reviews and each entity is charged directly for the costs of its standalone audits/reviews, when billed.

The fees for the audit of WGLH is split 50/50, of which 50% amount is directly charged to WGLH and the other half is allocated to the legacy WGLH affiliates based on their respective MMF rates; it is assumed that the audit of the consolidated entity and its controls (WGLH) benefits all entities. When practical, the charges are allocated to Washington Gas, WGES and other affiliates based on an estimate of the time spent evaluating the controls for each affiliate. Otherwise, they are allocated based using the MMF. Post-merger, the corporate shared service allocation to WGLH will include fees related to the corporate audit of AltaGas which will be allocated to Washington Gas and its legacy affiliates using the MMF.

Other Services

Other departments that provide common services may allocate costs based on the specific nature of the service performed. Examples include Payroll and Benefits, IT Services and Accounts Payable. In these examples, expenses are allocated using a formula based on the measured activity level of the service provided (e.g. number of employees paid; number of payments processed, etc.) as described throughout Section IV of this CAM which addresses the types of services allocated to Washington Gas affiliates.

Board of Directors Fees and Directors Expenses

Washington Gas has its own separate and distinct Board of Directors, with its own separate meetings. The Washington Gas Board of Directors has external Directors. The fees paid to the external Directors or expenses paid on behalf of the external Directors for attending board-related meetings are charged directly to Washington Gas.

Wrangler SPE is wholly owned by WGL Holdings for the single purpose of owning all of Washington Gas' common equity. Wrangler SPE does not have a separate Board of Directors, but has an independent director, "a Golden Share Member", who is an employee of an administration company in the business of protecting SPEs. The golden shareholder is the sole individual to determine whether Washington Gas can file for bankruptcy. WGL Holdings funds all SPE activities through equity infusions.

Corporate governance cost performed by AltaGas' Board of Directors on behalf of all its business units and affiliates are included in the corporate shared service allocation from ALA and are allocated as previously described.

Group Insurance Costs and Other Employee Benefits

Washington Gas uses a 3rd party service provider to administer certain of its group insurance plans, including medical, dental, vision, life, disability, and accidental death and dismemberment insurance. The plans are offered to employees of Washington Gas and certain affiliates. The benefit providers charge either the negotiated monthly premium or the actual cost of claims incurred depending on the structure of the plan. The total cost charged by the benefit providers is either directly assigned to the appropriate affiliate or for those items which are administratively impractical to directly assign, allocated to affiliates based on headcount.

Overheads

Washington Gas has determined that there are a variety of indirect expenses associated with providing common services to affiliated companies that cannot be directly charged to the appropriate entity. These indirect expenses (sometimes referred to as "overheads") include, but are not limited to: fringe benefits; rent, building space maintenance and utilities expenses; communications expenses; transportation costs; and similar expenses. Washington Gas has implemented procedures to accumulate these overheads, and to allocate them to the appropriate affiliate. A full description and methodologies for allocating various overhead pools is included in Appendix E.

These confidential pages were redacted.

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SECTION IV

Description of Services Provided by Washington Gas Light Company to Affiliates

Introduction

Section IV describes the different types of services provided by various functional areas of Washington Gas to its affiliates, including ASUS, and ASUS' Subsidiaries. For each area, information is provided about the types of services performed and the affiliates receiving these services.

The cost allocation methodology for all labor costs associated with each functional area's services are captured in Washington Gas' Time and Labor Reporting System (see Appendix C) and billed directly to the appropriate affiliate based on actual time spent. Labor that cannot be directly assigned, but benefits the affiliates (e.g. consolidation of financial statements and tax returns) is allocated according to the General Allocation Method described in Appendix D. All fringe benefit overheads follow the labor charges, as described in Appendix E of this Manual. Materials, supplies, consulting fees, and other out-of-pocket expenses are recorded and billed directly to the appropriate affiliate, or allocated according to the General Allocation Method when such expenses cannot be directly assigned. Please refer to Section II for specific types of cost assignments and allocation methodologies. In all cases, detailed information describing the allocation methodology is maintained by the Accounting Department. The allocations are updated on an as-needed basis as determined by the Vice President and Controller, in order to keep the allocation of costs timely, fair, and equitable.

1. Accounting and Tax

The Accounting and Tax departments provide a variety of services for affiliates. These services include performing monthly, quarterly, and annual accounting and reporting close activities. Examples of these activities include:

- Recording original transactions and accruals, depreciation and amortization, and fair value calculations.
- Producing the monthly inter-company bills between Washington Gas and its affiliates.
- Recording overhead allocations, subsidiary earnings, elimination, and consolidation entries.
- Executing control activities (including reconciliations of general ledger and bank accounts). This activity is also supplemented by the Internal Controls and the Internal Audit departments.
- Preparing financial reports for internal use.
- Preparing regulatory reports for external agencies and debtholders, including FERC and state regulatory agencies.
- Providing accounting services for benefit and incentive plans.

Other services include:

- Providing tax planning and tax return preparation services (on a consolidated and stand-alone basis) for both income and general tax requirements.
- Researching and documenting the impact of new accounting standards on existing accounting policies, processes, and procedures.
- Researching and applying the appropriate accounting guidance to new or proposed business transactions and establishing the related accounting and disclosure policies and procedures.
- Engaging an independent accountant to audit the financial statements and review tax returns.

Washington Gas employees who provide accounting services exclusively for affiliates directly charge all of their time to the appropriate affiliates.

Affiliates benefiting from these services are WGL Holdings, Hampshire, WGL Energy Services, WGL Energy Systems, Inc. (WGL Energy Systems), WGL Sustainable Energy, LLC, WGL Midstream MVP, LLC, Washington Gas Resources Corp. (WGR), WGSW, Inc. (WGSW), ASUS, AltaGas, Ltd., APHUS, AUHUS, Wrangler SPE, AMUS, AltaGas Blythe Operations Inc., AltaGas Blythe Energy, Petrogas, and SEMCO.

2. Office of the General Counsel

The Office of the General Counsel (OGC) provides legal representation, advice and paralegal support services for Washington Gas and its affiliates.

Attorneys in the Regulatory Matters group principally provide legal services for Washington Gas and its affiliates, as permitted by law, in relation to federal and local regulatory matters, utility upstream and downstream gas purchase activities, and gas transportation contract activities. For efficiency of assignments, these attorneys may also provide general corporate support services from time to time and the cost of these services is billed to the appropriate affiliate.

Affiliates benefiting⁵ from these services are WGL Holdings, Hampshire, WGL Energy Services, WGL Energy Systems, WGL Sustainable Energy, LLC, WGL Midstream MVP, LLC, WGR, WGSW, ASUS, AltaGas, Ltd., APHUS, AUHUS, Wrangler SPE, AMUS, AltaGas Blythe Operations Inc., AltaGas Blythe Energy, Petrogas, and SEMCO.

3. Strategy, Corporate Development

Individuals in Strategy and Corporate Development provide long-term planning and analysis services to Washington Gas and to affiliates. These groups also pursue new business opportunities as well as strategies for continued company growth and value creation and help develop related

⁵ Washington Gas will advise and assist the ASUS/APHUS family entities in connection with corporate and legal matters, and with administrative and judicial proceedings involving regulatory, tax, contract, tort, property, insurance, and other matters.

business plans for both regulated and non-regulated affiliates. These activities may include investment portfolio planning and tracking, identification, assessment and tracking of general business opportunities, strategic planning (including vision, mission, performance, branding and other outreach activities), and tracking and reporting consolidated results to internal and external stakeholders.

Affiliates benefiting from these services are WGL Holdings, Hampshire, WGL Energy Services, WGL Sustainable Energy, LLC, WGL Midstream MVP, LLC, WGL Energy Systems, WGR, WGSW, and SEMCO.

4. Sustainability

Individuals in the Sustainability Department work with others throughout the Utility to promote and track resource stewardship and carbon reduction activities. They are also the principal sponsors of utility customer energy efficiency programs and activities and serve on multiple regional policy groups and task forces that focus on efficient energy utilization and greenhouse gas emissions reductions.

The department's activities primarily serve Washington Gas but, in limited instances, may also benefit the following affiliates: WGL Holdings, WGL Energy Services, WGL Energy Systems, and SEMCO.

5. Internal Audit

The Internal Audit department regularly performs various types of audits, appraisals and examinations of company operations and records related to all Washington Gas affiliates. These reviews are completed to determine the adequacy of internal controls and the integrity of reports, records, procedures, programs, and compliance activities. The department assists management in their CSOX compliance activities for compliance with Canadian Bill 198, including internal control assessments.

Affiliates benefiting from these services are WGL Holdings, Hampshire, WGL Energy Services, WGL Sustainable Energy, LLC, WGL Midstream MVP, LLC, WGR, WGSW, ASUS, AltaGas, Ltd., APHUS, AUHUS, Wrangler SPE, AMUS, AltaGas Blythe Operations Inc., Blythe Energy, and SEMCO.

6. Finance

In addition to accounting and tax, the Finance unit provides a variety of additional services to Washington Gas and all the affiliates. These additional services are broadly grouped into the following functional areas: risk management; asset optimization; and treasury/cash management.

The Treasury function oversees the investment portfolio of the defined benefit pension plan, post-retirement medical and insurance benefit plans and the 401(k) plan. The treasury function regularly performs cash planning and cash management activities for all affiliates. Services can include various cash management functions. Specifically, individuals in this department perform cash application, and daily cash planning, prepare rating agency presentations, establish credit facilities, and evaluate alternative forms of financing.

The Risk Management group evaluates internal and external market, credit, enterprise, insurance, and certain operational risk factors for all affiliates. The function performs trade/transaction valuation and independent analysis of new initiatives, investment opportunities and non-standard transactions, assesses current and potential counterparty credit risk, negotiates various types of insurance coverage and processes insurance claims information, performs trade confirmation, facilitates and negotiates trading contract language, and has responsibility for developing various corporate risk management policies to govern the risks identified above. The group also prepares presentations for the Risk Management Committee and reviews policy violations, market-to-market movements, new transaction assessments, counterparty exposure, as well as other items, as appropriate. On occasion, insurance coverage premiums are obtained on a consolidated basis for price advantages, but arrangements are made for premiums to be billed directly to the participating companies of Washington Gas and its affiliates.

The Financial Planning function oversees all activities related to budgeting, forecasting, and allocations of the company financial resources for different business purposes. The group assists with the planning of the company's financial resources to meet both short-term and long-term strategic goals and objectives. Specific individuals in that group collaborate with individuals in functional areas across the organization to gather valuable information used in the planning, budgeting, and forecasting process.

All the costs of these functions can be charged specifically to an individual affiliate or allocated to all affiliates.

Affiliates benefiting from these services are WGL Holdings, Hampshire, WGL Energy Services, WGL Energy Systems, WGL Sustainable Energy, LLC, WGL Midstream MVP, LLC, WGR, WGSW, ASUS, AltaGas, Ltd., APHUS, AUHUS, Wrangler SPE, AMUS, AltaGas Blythe Operations Inc., AltaGas Blythe Energy, Petrogas, and SEMCO.

7. Gas Supply Operations

Gas Supply Operations provides a variety of services for Washington Gas and for Hampshire, a federally regulated utility. Some specific items of work related to Hampshire include (1) the calibration, certification and repair of various instruments and equipment on Hampshire facilities; and (2) the operation and maintenance of the supervisory control and data acquisition (SCADA)⁶ and microwave systems. Procurement of certain supplies for operations and maintenance may be

⁶ SCADA is a system for remote monitoring and control that operates Washington Gas facilities with coded signals over communication channels.

necessary for each of these areas.

The affiliate benefiting from these services is Hampshire.

8. Corporate Public Policy

Corporate Public Policy directs Washington Gas and its affiliates' public policy activities that include information regarding various aspects of the business operations and financial results. Corporate Public Policy also handles philanthropic activities and government affairs. The costs of executing these business activities may be charged directly to a specific affiliate or the costs can be allocated, depending on the specific circumstances.

Affiliates benefiting from these services are WGL Holdings, Hampshire, WGL Energy Services, WGL Sustainable Energy, LLC, WGL Midstream MVP, LLC, WGL Energy Systems, WGR, and WGSW.

9. Corporate Communications

Corporate Communications directs Washington Gas and its affiliates' internal and external communications, media relations, and activities that include information regarding various aspects of the business operations and financial results. Corporate Communications also manages community relations. The costs of executing these business activities may be charged directly to a specific affiliate or the costs can be allocated, depending on the specific circumstances.

Affiliates benefiting from these services are WGL Holdings, Hampshire, WGL Energy Services, WGL Energy Systems, WGL Sustainable Energy, LLC, WGL Midstream MVP, LLC, WGR, WGSW, ASUS, AltaGas, Ltd., APHUS, AUHUS, Wrangler SPE, AMUS, AltaGas Blythe Operations Inc., AltaGas Blythe Energy, and SEMCO.

10. Utility Operations, Engineering, Construction and Safety

Individuals in this department provide support for capital improvements, replacement projects, as well as operations and maintenance projects. Services provided also include compliance support, storage inventory projects, well down-hole analysis support, pipeline pigging support and analysis, design and engineering services, material specifications and procurement support, project management and construction support, and preparing comprehensive operating/facility drawings and equipment books. This function primarily charges Washington Gas.

Affiliates benefiting from these services are Hampshire, WGL Sustainable Energy, LLC, WGL Midstream MVP, LLC, and SEMCO.

11. Executive Officers

In their capacity as officers of WGL Holdings, Inc., and in the capacity of an officer providing common services (such as the Controller, the SVP of Finance, and the General Counsel), certain officers of Washington Gas act on behalf of or as officers and/or directors of one or more of the affiliated companies (including WGL Holdings). Generally, the roles of these individuals are principally limited to providing specialized expertise (e.g., treasury or accounting management) and are not involved in the day-to-day operations of the affiliates. In some circumstances, officers only work related to Washington Gas and these officers charge their costs directly to Washington Gas. If circumstances warrant, all officers will direct charge any individual affiliate or the officers will directly allocate their costs to all affiliates.

Affiliates benefiting from these services are WGL Holdings, Hampshire, WGL Energy Services, WGL Sustainable Energy, LLC, WGL Midstream MVP, LLC, WGL Energy Systems, WGR, WGSW, ASUS, AUHUS, Wrangler SPE, and SEMCO.

12. Payroll and Benefits

A 3rd party service provider engaged by the Utility provides payroll-related services for Washington Gas and its affiliates, and services for the administration of benefits for all Washington Gas employees and employees of the non-utility subsidiaries who are covered by Washington Gas benefit plans. Payroll-related services include all functions related to producing a biweekly payroll, including withholding voluntary and mandatory deductions and remittance to third parties, preparation of employee year-end wage and tax statements, and preparing and remitting tax deposits for federal withholding, state withholding and federal and state unemployment taxes.

Management has retained employees to oversee outsourced payroll and benefits administration activities and support payroll and benefit administration activities not performed by the 3rd party service provider (e.g., time entry, time off and time approval processes, garnishment documentation, processing death claims, Tuition Reimbursement program). In certain instances, the individuals in the retained organization may work on issues related to the common services provided to affiliates of Washington Gas, or such effort may relate directly to one of the affiliates. The charges from the Retained Management and outsourced service provider are charged to the appropriate subsidiary either directly or through an allocation of charges as described herein, depending on the nature of the outsourced activity.

Affiliates benefiting from these direct services are Hampshire, WGL Energy Services, WGL Sustainable Energy, LLC, WGL Midstream MVP, LLC, WGL Energy Systems, AltaGas Blythe Operations Inc., ASUS, Petrogas, and SEMCO.

13. Information Technology Services

Third party services are engaged by the utility to perform a variety of Information Technology

services for Washington Gas and its affiliates. Specifically, these services include the procurement and installation of computer hardware and software systems, as well as implementation, administration and maintenance of network security systems (i.e., firewall processes), troubleshooting and diagnostics of computer hardware and software applications, database administration and database support. Additionally, 3rd party servicers provide some aspects of software application support, and hardware support, including technical enhancements and configuration management (i.e., Help Desk). 3rd party servicers also support the acquisition, installation, and operation of telecommunications equipment.

Third party servicers provide ongoing management support and technical enhancements to the human resources, financial, and supply chain modules of the PeopleSoft systems for Washington Gas. Specifically, this support includes developing application programs and system enhancements to existing programs. On occasion, the 3rd party servicers will also provide application program support in the development of new business transactions where such would be economically feasible.

Third party servicers provided relationship management troubleshooting and diagnostics services as appropriate. Third party servicers also provide network system support. Specifically, this support includes the installation and support of network servers and related infrastructure.

Management has retained employees to oversee outsourced activities, including IT, in certain instances, the individuals in the Retained Management Organization may work on issues related to the common services provided to affiliates of Washington Gas, or such effort may relate directly to one of the affiliates. The charges from the Retained Management and outsourced provider are charged to the appropriate subsidiary either directly or through an allocation of charges as described herein, depending on the nature of the outsourced activity.

When appropriate, Washington Gas may obtain funding from an affiliate to pay for the acquisition and capital costs of certain computer systems that benefit Washington Gas and the affiliate, resulting in the co-ownership of certain IT systems. In other instances, for systems used in common services, costs are allocated as described in Appendix E of this Manual.

Affiliates benefiting⁷ from these services are WGL Holdings, Hampshire, WGL Energy Services, WGL Energy Systems, WGL Sustainable Energy, LLC, WGL Midstream MVP, LLC, WGR, WGSW, ASUS, AltaGas, Ltd., APHUS, AUHUS, Wrangler SPE, AMUS, AltaGas Blythe Operations Inc., AltaGas Blythe Energy, and SEMCO.

14. Cash Receipts / Cash Disbursements

Washington Gas employees provide disbursement services to affiliates. Disbursement services include processing of vouchers and executing vendor payments, remittance processing, and Purchasing Card processing & administration and resolving payment posting issues (i.e., providing

⁷ Washington Gas will provide the ASUS/APHUS family entities program management and administration of services to the Affiliates for their individual IT systems, as well as assist the Affiliates in the development and execution of strategic improvements to the infrastructure and application portfolio. Washington Gas will also provide limited application maintenance and development.

copies of canceled checks) and procurement administration. Washington Gas employees process automated clearing house (ACH) and wire transfers for affiliates, and charge their time, accordingly, as described above. Costs associated with vouchers processing are allocated based on time spent on each affiliate's activities. Likewise, costs associated with cash management are allocated on a formula based on the average amount of time spent on Washington Gas activities vs. affiliate activities.

A 3rd party service provider performs cash collection activities for affiliates. Cash receipts related services provided by the 3rd party provider include lockbox administration and processing, and cash application.

Management has retained employees to oversee activities performed by the outsourced provider or affiliates for cash receipts, and in certain instances, the individuals in the retained organization may work on issues related to the common services provided to affiliates of Washington Gas, or such effort may relate directly to one of the affiliates. The charges from the Retained Management, affiliate provider and outsourced provider are charged to the appropriate subsidiary either directly or through an allocation of charges as described herein, depending on the nature of the outsourced activity.

All the costs of these functions can be charged specifically to an individual affiliate or allocated to all affiliates. Affiliates also perform these services for themselves whenever customers send payments directly to the affiliate.

Affiliates benefiting from these services are WGL Holdings, Hampshire, WGL Energy Services, WGL Energy Systems, WGL Sustainable Energy, LLC, WGL Midstream MVP, LLC, WGR, WGSW, ASUS, AltaGas, Ltd., APHUS, AUHUS, Wrangler SPE, AMUS, AltaGas Blythe Operations Inc., and AltaGas Blythe Energy, Inc.

15. Human Resources

A 3rd party service provider engaged by the Utility provides Human Resources services including, employee data management and performance management administration services for Washington Gas employees and employees of the non-utility subsidiaries.

Management has retained employees to oversee outsourced human resources activities. In certain instances, the individuals in the retained organization may work on issues related to the common services provided to affiliates of Washington Gas, or such effort may relate directly to one of the affiliates.

Other Human Resource-related services, including Talent Management, candidate sourcing, background screening, relocation, training, compensation administration, HRIS reporting, and data analytics, advice, counsel, and labor contract administration are provided to the affiliates by the retained Human Resources.

Costs incurred by Washington Gas or by the 3rd party service provider are billed directly to the appropriate affiliate based on actual time spent or based on an allocation when more than one affiliate is the beneficiary of the services. In some cases, the costs associated with this activity are billed to affiliates based on the number of affiliate employees in the service bucket as a percentage of the total.

Affiliates benefiting from these direct services are Hampshire, WGL Energy Services, WGL Sustainable Energy, LLC, WGL Midstream MVP, LLC, WGL Energy Systems, ASUS, AltaGas, Ltd., APHUS, AltaGas Blythe Operations Inc., AltaGas Blythe Energy, Inc., Petrogas, and SEMCO.

16. Supply Chain

The Supply Chain group works with Washington Gas and the affiliates to procure and establish contracts for the purchase of goods, such as but not limited to office supplies and when applicable purchase of services from third party providers.

Affiliates benefiting from these services are WGL Holdings, Hampshire, WGL Energy Services, WGL Energy Systems, WGL Sustainable Energy, LLC, WGL Midstream MVP, LLC, WGR, WGSW, ASUS, AltaGas, Ltd., APHUS, AUHUS, Wrangler SPE, AMUS, AltaGas Blythe Operations Inc., AltaGas Blythe Energy, Inc., and SEMCO.

17. Regulatory Affairs

The Regulatory Affairs group works with Washington Gas and the affiliates to ensure compliance with tariff requirements applicable to their operations. Specific services include regulatory review of tariffs and service agreements, compliance with federal and jurisdictional regulatory requirements and regulatory strategy development.

Affiliates benefiting from these services are WGL Sustainable Energy, LLC, WGL Midstream MVP, LLC, Hampshire, and SEMCO.

18. Facilities and Transportation

Washington Gas advise and assist the Affiliates in matters relating to Facilities and Transportation, including: Real Estate Services (identifying and negotiating property leases and property management contracts, Design/Build, Interior designing, procurement of furniture), Facilities Operation & Maintenance Services (overseeing property maintenance and charges for tenants), and Fleet Management Services (negotiating sales, purchases and lease of transportation equipment and coordinating maintenance services).

Affiliates benefiting from these services are WGL Holdings, Hampshire, WGL Energy Services,

WGL Sustainable Energy, LLC, WGL Midstream MVP, LLC, WGL Energy Systems, WGR, WGSW, and ASUS.

19. Security

Washington Gas advise and assist the Affiliates in security matters, including security risk assessments for physical locations, employee awareness and training, as well as services and support necessary to ensure the proper installation and maintenance of such systems.

Affiliates benefiting from these services are WGL Holdings, Hampshire, WGL Energy Services, WGL Sustainable Energy, LLC, WGL Midstream MVP, LLC, WGL Energy Systems, WGR, WGSW, ASUS, and SEMCO.

SECTION V

Description of Services Provided To Washington Gas Light Company by Affiliates

Storage services

Hampshire Gas operates an underground natural gas storage facility that provides gas storage services to Washington Gas that solely benefits the utility customers of Washington Gas. Hampshire is regulated by the Federal Energy Regulatory Commission (FERC) and the pricing of its services are subject to the FERC approved tariff and charged 100 percent to Washington Gas.

AltaGas Corporate Shared Services⁸

AltaGas Ltd. (AltaGas) provides general corporate services to Washington Gas. The consolidated corporate shared costs are allocated by AltaGas to ASUS. The CAD: USD exchange rates⁹ used to determine the allocation from AltaGas to ASUS is provided monthly and ASUS translates the allocated costs (in Canadian dollars) to US dollars. Those exchange rates are the monthly average exchange rates for each particular month and are obtained from Bank of Canada. ASUS then uses Washington Gas' MMF allocation methodology to further allocate the costs to its affiliates WGL Holdings, APHUS, and SEMCO. The portion of shared costs allocated to WGL Holdings is further allocated to Washington Gas, and the pre-merger affiliates of WGL Holdings.

The services provided by AltaGas include:

Accounting and Tax

Services include general accounting and tax matters required to maintain the publicly listed company status, including preparation of consolidated financial statements, management discussion and analysis and other financial analysis required for securities filings and coordination of external audits. Other services include implementing internal controls framework and procedures; assisting and advising business units with annual planning and budget cycle to ensure forecasts are incorporated in strategic planning; and coordinating corporate tax audits, advising on overall tax compliance, tax planning and cross-border transfer tax planning and advice.

Finance

Services include treasury matters such as managing capital structure and financial management, consolidated cash flow forecasts and liquidity management; implementing corporate risk management such as insurance services; and investor relations and stakeholder communications.

Legal and Compliance

Services include general legal service and advice to all business units, including regulatory, general corporate matters, governance, compliance, disclosure and registration

⁸ At times, AltaGas enters into contract arrangements with third-party service providers to leverage the cost advantage associated with the negotiation of larger scale contracts for the benefits of its affiliates. The charges associated with such contracts are paid for by AltaGas, which then seek reimbursements from the affiliates, on a dollar-for-dollar basis, for the services received by the affiliates. These charges are separate and distinct from costs incurred by AltaGas in performing corporate services and are considered direct reimbursements.

⁹ CAD:USD rates from January through December 2023: \$1.3422, \$1.3450, \$1.3682, \$1.3485, \$1.3520, \$1.3288, \$1.3215, \$1.3485, \$1.3535, \$1.3717, \$1.3709, and \$1.3431, respectively.

requirements, management of external counsel and corporate secretarial services. Compliance services include developing an annual internal audit plan to examine, evaluate and report on the adequacy, effectiveness, and efficiency of the systems of internal controls across operations.

Information Technology Services

Services include developing and maintaining organization-wide IT strategy, standardization, policies, and practices, to ensure access to information assets is safeguarded; establishing strategic IT procurement procedures and practices and leveraging economies of scale for favorable purchasing terms and conditions; and providing information system application training and day-to-day support to employees.

Board of Directors

Services include overall supervision and stewardship; strategic business and corporate advice; governance; succession planning; and oversight of principal business risks.

Executive Committee

Services include strategic management oversight of all business units; setting strategic direction on financial planning, capital access, business and capital risk management and organizational structure; and leadership and guidance to optimize business.

Office Services and Corporate Resources

Services include providing a safe and secure workplace environment with the necessary facilities for employees to perform corporate services; managing savings initiatives to enable employees to benefit from the resulting economies of scale; facilitating organization-wide employee outreach communication; supporting executives' and employees' compensation plan design; pension (including retirement savings) and benefits management; union relationship management; environmental and occupational health and safety compliance; and administration of organization-wide policies, including the code of business and ethics ("COBE") annual certification process.

SEMCO Corporate Services

Washington Gas receives certain corporate services from SEMCO Energy, Inc., (SEMCO), a subsidiary of ASUS. The charges represent employees' time and labor, and related overhead costs, for work performed for Washington Gas, or allocations to Washington Gas for work performed for the US Utilities, and some reimbursable travel expenses. SEMCO also provides accounts payable services that are charged to Washington Gas based on time spent by SEMCO's employees on Washington Gas-related activities.

Accounts Payable services provided by SEMCO to Washington Gas and its affiliates include procurement card administration and expense processing, vendor management, invoice, and payment processing, as well as customer refunds. The Company expects this change will optimize and streamline the overall cash disbursements process.

APPENDIX A

A. Washington Gas Affiliate Agreements, Affiliate's Statement of Business, and Organization Chart

**Listing of Affiliate Agreements with Washington Gas
(As of March 31, 2024)**

Name of Affiliate	Contract Type	Virginia State Corporation Commission SCC Case #/Date of Final Order	Expiration Date
WGL Holdings, Inc.; Washington Gas Resources Corp.; Hampshire Gas Company; WGL Energy Services, Inc.; WGL Energy Systems, Inc.; WGL Sustainable Energy LLC; WGL Midstream MVP, LLC; WGSW, Inc. AltaGas Services U.S.; AltaGas Power Holdings (U.S.) Inc.; AltaGas Utility Holdings (U.S.) Inc.; Wrangler SPE, LLC; Wrangler 1 LLC; SEMCO Energy, Inc.; AltaGas Marketing (U.S.) Inc.; AltaGas Blythe Operations, Inc.; AltaGas Blythe Energy Inc.; AltaGas Sonoran Energy Inc.; AltaGas Ltd.; Petrogas, Inc.; Petrogas Energy Corp.;* IXL Propane, Inc.;* Petrogas West, LLC;* Mountain View Property Management;* Seaside Management, Inc.;*	Service Agreement	No. PUR-2023-00164/December 11, 2023**	December 10, 2028
Affiliates (Tax Sharing Agreement)	Tax Sharing Agreement	No. PUR-2023-00164/December 11, 2023**	December 10, 2028
AltaGas Ltd./ASUS	Service Agreement (for centralized corporate services)	No. PUR-2023-00164/December 11, 2023**	December 10, 2028
WGL Energy Systems, Inc.	Project Management Services	No. PUE-2015-00130/March 3, 2016	March 19, 2026
Washington Gas Energy Services, Inc.	Gas Supplier Agreement	No. PUA980005/July 15, 1998	

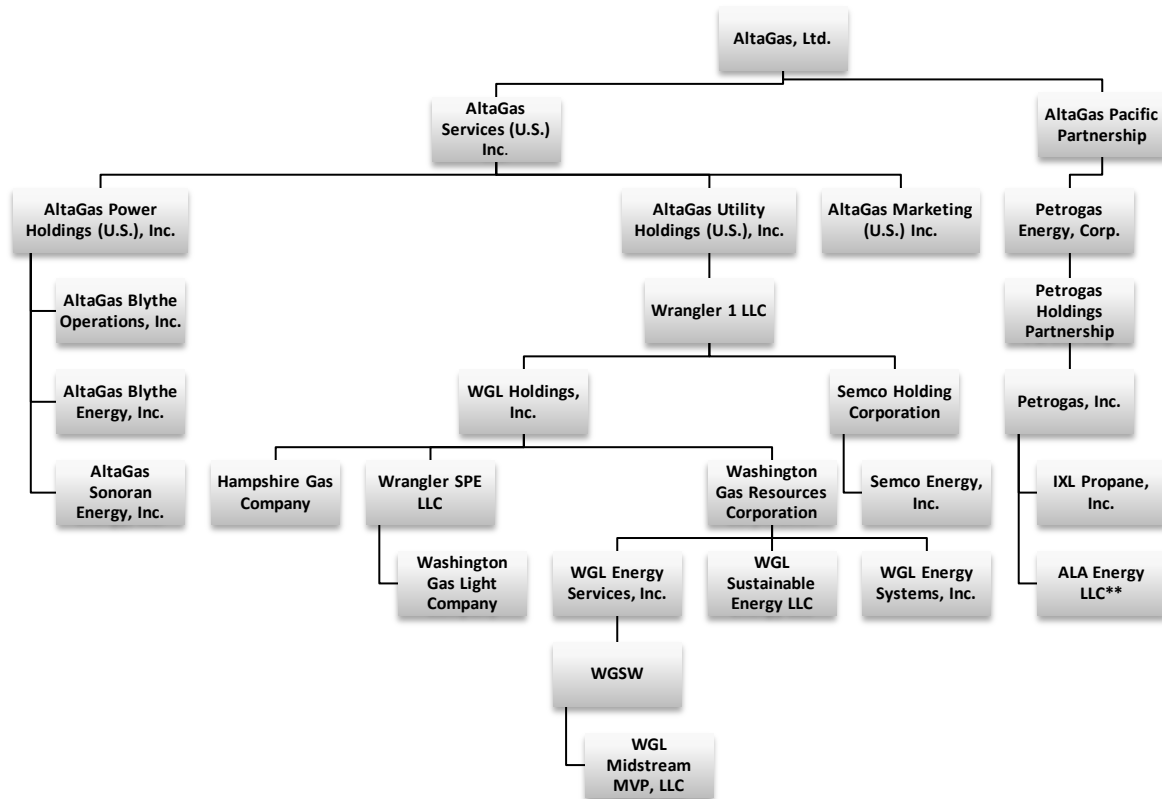
* New affiliate additions in Service Agreement No. PUR-2023-00164.

** Shared Service Agreement No. PUR-2023-00164 replaced PUR-2018-00130, PUR-2020-00058, PUR-2020-00224, PUR-2019-00055, PUR-2017-00177, and PUR-2022-00060.

APPENDIX A (con't)

Washington Gas Affiliates' Statement of Business	
Affiliate Name	Statement of Business
WGL Holdings, Inc.	Holding Company - Direct Subsidiaries are: Wrangler SPE, LLC, Hampshire Gas Company, and Washington Gas Resources Corporation.
Wrangler SPE, LLC	Holding Company of Washington Gas Light Company; A bankruptcy remote special purpose entity which owns all the shares of the common stock of Washington Gas.
Wrangler 1, LLC	A subsidiary of AltaGas Utility Holdings (U.S.) Inc. At the completion of the Merger, Wrangler 1 assumed ownership of 100% of the stock of WGL Holdings, Inc.
Hampshire Gas Company	Underground gas storage operator that provides storage services to Washington Gas Light Company under a FERC approved interstate storage service tariff.
Washington Gas Resources Corporation	Holding Company for certain Non-Utility Operations.
WGL Energy Services, Inc.	Retail energy marketer supplying natural gas and electricity to residential, commercial, and industrial customers.
WGL Energy Systems, Inc.	Historically provided commercial energy efficient and sustainable solutions to government and commercial clients. The majority of the affiliate's assets have been sold.
WGL Sustainable Energy LLC	Formed to hold assets not transferred in connection with the sale of WGL Midstream, Inc. on April 23, 2021.
WGL Midstream MVP, LLC	A holding entity for certain interstate pipeline investments.
WGSW, Inc.	Holding Company of WGL Midstream MVP, LLC.
AltaGas, Ltd.	A Canadian corporation and parent company of AltaGas Services (U.S.) Inc.
AltaGas Services (U.S.) Inc.	U.S. Holding Company for AltaGas's investments in the United States.
AltaGas Power Holdings (U.S.) Inc.	Holding company of AltaGas' U.S. power generation facilities.
AltaGas Utility Holdings (U.S.) Inc.	Holding Company of Wrangler 1, LLC.
AltaGas Marketing (U.S.) Inc.	Owens transportation and marketing contract of natural gas in the U.S. for the non-utility business.
AltaGas Blythe Operations Inc.	Operating company of Blythe Energy Inc.
AltaGas Blythe Energy, Inc.	Owens and operates a 507 MW combined cycle gas fired power plant in Blythe, California and a 67 mile transmission line.
AltaGas Sonoran Energy Inc.	Owens approximately 75 acres of land adjacent to the plant owned by AltaGas Blythe Energy, Inc.
SEMCO Energy Inc.	Regulated Public Utility with primary business in the transmission, distribution, and storage and sale of natural gas.
Petrogas, Energy Corp.	Indirect wholly owned subsidiary of AltaGas, Ltd. which owns and operates midstream facilities and logistic networks in North America.
Petrogas, Inc.	Indirect subsidiary of Petrogas Energy Corp. which provides marketing services to the Petrogas Energy Corp. group entities which provide crude oil and natural gas liquids marketing and supply services to propane retailers, refiners, and petrochemical producers across North America. Holding Company of IXL Propane, Mountain View Property Management, Petrogas West, LLC, and Seaside Management, Inc.
IXL Propane, Inc.	Propane trucking company that transports propane in the Pacific Northwest.
Petrogas West, LLC	Owens LPG export and storage facilities and infrastructures in Washington State.
Mountain View Property Management	Management company for certain landholdings in Washington State.
Seaside Management, Inc.	Oversees the dock and aquatic lease in Washington State.

CONDENSED COMPANY STRUCTURE *
As of March 31, 2024



* Primarily reflects only Affiliates that have Service Agreements with Washington Gas Light Company. Note that Mountain View Property Management and Seaside Management, Inc. have both merged with Petrogas, Inc., effective December 18, 2023.

** Formerly Petrogas, West LLC; name changed to ALA Energy LLC, effective March 19, 2024.

APPENDIX B

B. Washington Gas & Affiliates Officers

WASHINGTON GAS LIGHT COMPANY

1000 Maine Avenue, SW

Washington, DC 20024

OFFICERS

As of March 31, 2024

Donald M. “Blue” Jenkins	President
Mallik Angalakudati	Senior Vice President, Strategy and Innovation
JP Arcuri	Senior Vice President, Chief Digital Officer
Laura Boisvert	Senior Vice President, Operations
Karen M. Hardwick	Senior Vice President and General Counsel
Peter Ledig	Senior Vice President, Commercial, Utilities
M. Colleen Starring	Strategic Advisor
James Steffes	Senior Vice President, Regulatory
Wendy Zelond	Senior Vice President, Finance and Treasurer
Michelle Musgrove	Vice President, Customer Experience
Krista Nufrio	Vice President, Business Excellence
Tracy L. Townsend	Vice President-Construction, Compliance and Safety
Colin Bond	Interim Vice President and Controller
Debbi Jarvis	Vice President and Chief Communication Officer
David Lewis	Vice President, Business Development
Kevin Murphy	Vice President of Asset Management, Engineering and Supply
Mark Shaver	Vice President, Strategy Execution
Paul Zohorsky	Vice President, Operations
Jimmi Duce	Corporate Secretary

APPENDIX B (con't)

**AltaGas Services (U.S.) Inc.
1000 Maine Avenue, SW
Washington, DC 20024**

**OFFICERS
As of March 31, 2024**

Vernon Yu	President and Chief Executive Officer
Donald M. “Blue” Jenkins	President Utilities
James Harbilas	Executive Vice President and Chief Financial Officer
Peter Ledig	Senior Vice President Power
Marc Simone	Senior Vice President Utilities
Ann L. Forster	Vice President Administrative Services
Wendy Zelond	Treasurer
Jimmi Duce	Corporate Secretary

**AltaGas Marketing (U.S.) Inc.
1000 Maine Avenue, SW
Washington, DC 20024**

**OFFICERS
As of March 31, 2024**

Donald M. “Blue” Jenkins	President
Peter Ledig	Senior Vice President Power
Peter Karl	Vice President
Wendy Zelond	Treasurer
Jimmi Duce	Corporate Secretary

**AltaGas Power Holdings (U.S.) Inc.
1000 Maine Avenue, SW
Washington, DC 20024**

**OFFICERS
As of March 31, 2024**

Donald M. “Blue” Jenkins	President
Peter Ledig	Senior Vice President Power
Wendy Zelond	Treasurer
Jimmi Duce	Corporate Secretary

**AltaGas Utility Holdings (U.S.) Inc.
1000 Maine Avenue, SW
Washington, DC 20024**

**OFFICERS
As of March 31, 2024**

Donald M. “Blue” Jenkins	President
Marc Simone	Senior Vice President
Wendy Zelond	Senior Vice President and Treasurer
Ann L. Forster	Vice President Administrative Services
Mark A. Moses	Vice President Finance
Jimmi Duce	Corporate Secretary

**WGL Holdings, Inc.
1000 Maine Avenue, SW
Washington, DC 20024**

**OFFICERS
As of March 31, 2024**

Donald M. “Blue” Jenkins	President
Wendy Zelond	Senior Vice President, Finance, and Treasurer
Karen M. Hardwick	Senior Vice President and General Counsel
Peter Ledig	Senior Vice President, Commercial, Utilities
Krista Nufrio	Vice President
Colin Bond	Vice President and Controller
Jimmi Duce	Corporate Secretary

**Wrangler SPE LLC
1000 Maine Avenue, SW
Washington, DC 20024**

**OFFICERS
As of March 31, 2024**

Donald M. “Blue” Jenkins	President
D. James Harbilas	Executive Vice President
Wendy Zelond	Vice President and Treasurer
Jimmi Duce	Corporate Secretary

Hampshire Gas Company
8614 Westwood Center Drive, Suite 1200
Vienna, VA 22182

OFFICERS
As of March 31, 2024

Donald M. "Blue" Jenkins	President
Wendy Zelond	Senior Vice President, Finance and Treasurer
Krista Nufrio	Vice President
Colin Bond	Vice President and Controller
Kevin Murphy	Vice President Asset Management, Engineering and Supply
Jimmi Duce	Corporate Secretary

Washington Gas Resources Corp.
8614 Westwood Center Drive, Suite 1200
Vienna, VA 22182

OFFICERS
As of March 31, 2024

Donald M. "Blue" Jenkins	President
Peter Ledig	Senior Vice President, Commercial
Wendy Zelond	Senior Vice President, Finance and Treasurer
Krista Nufrio	Vice President
Colin Bond	Vice President and Controller
Jimmi Duce	Corporate Secretary

WGL Energy Services, Inc.
8614 Westwood Center Drive, Suite 1200
Vienna, VA 22182

OFFICERS
As of March 31, 2024

Peter Ledig	President
Wendy Zelond	Senior Vice President, Finance and Treasurer
Kevin Anderson	Vice President, Operations
Mike McGinn	Vice President, Sales
Clinton S. Zediak, Jr.	Vice President, Growth & Innovation
Krista Nufrio	Vice President
Colin Bond	Vice President and Controller
Jimmi Duce	Corporate Secretary

WGL Energy Systems, Inc.
8614 Westwood Center Drive, Suite 1200
Vienna, VA 22182

OFFICERS
As of March 31, 2024

Peter Ledig	President
Wendy Zelond	Senior Vice President, Finance and Treasurer
Krista Nufrio	Vice President
Colin Bond	Vice President and Controller
Jimmi Duce	Corporate Secretary

WGSW, INC.
8614 Westwood Center Drive, Suite 1200
Vienna, VA 22182

OFFICERS
As of March 31, 2024

Peter Ledig	President
Wendy Zelond	Senior Vice President, Finance and Treasurer
Krista Nufrio	Vice President
Colin Bond	Vice President and Controller
Jimmi Duce	Corporate Secretary

AltaGas Blythe Operations Inc.
1000 Maine Avenue, SW
Washington, DC 20024

OFFICERS
As of March 31, 2024

Donald M. "Blue" Jenkins	President
Peter Ledig	Senior Vice President Power
Wendy Zelond	Treasurer
Jimmi Duce	Corporate Secretary

Blythe Energy Inc.
1000 Maine Avenue, SW
Washington, DC 20024

OFFICERS
As of March 31, 2024

Donald M. “Blue” Jenkins	President
Peter Ledig	Senior Vice President Power
Wendy Zelond	Treasurer
Jimmi Duce	Corporate Secretary

SEMCO Energy, Inc.
1411 Third Street, Suite A,
Port Huron, MI 48060

OFFICERS
As of March 31, 2024

Donald M. “Blue” Jenkins	Chair
Marc Simone	President
Ann L. Forster	Vice President Administrative Services
Mark A. Moses	Vice President, Chief Financial Officer and Treasurer
Jimmi Duce	Corporate Secretary

Petrogas, Inc.
1000 Maine Avenue, SW
Washington, DC 20024

OFFICERS
As of March 31, 2024

Randy Toone	President
James Harbilas	Chief Financial Officer
Bradley Grant	Chief Legal Officer
Peter Ledig	Senior Vice President
Ken Wentworth	Senior Vice President
Wendy Zelond	Senior Vice President and Treasurer
Krista Nufrio	Vice President
Colin Bond	Vice President and Controller
Jimmi Duce	Corporate Secretary

APPENDIX C

C. Washington Gas Time and Labor Reporting Procedures

Washington Gas Time and Labor Reporting Procedures

Washington Gas maintains systems and procedures to capture employee time and labor costs and to accurately assign those costs to the proper accounts and entities. The Time and Labor Reporting Procedure (TLRP) requires that every employee report his labor hours with detailed information that permits the accounting process to properly charge the labor cost (and associated overheads) to the appropriate entity which benefits from the activity. The TLRP format also includes information related to department project identification numbers (where appropriate) and sub-account descriptions (where appropriate), necessary to record the item to the financial statements.

Washington Gas utilizes Workday's Time and Expense Management System. The System enables employees to electronically submit their timesheets by entering their time and expenses directly into Workday System. The ability to submit electronic timesheets is not currently available to all employees. Those who do not submit their timesheets electronically submit paper timesheets to dedicated employees (timekeepers) who enter the timesheet data into the Workday System.

As described in other sections of this Manual, the primary method for accurately capturing and assigning labor costs is to instruct employees to charge their time directly to the appropriate entity in conjunction with actual time spent on each activity. However, because a significant number of employees either work exclusively on utility activities or spend a very small and limited amount of time on affiliate activities, the Company utilizes procedures which permit such employees to have their time default to a pre-determined fixed account distribution which would include coding to bill the affiliates being served. Such employees are required to submit time sheets (paper or electronic as appropriate) when the hours worked differ from the pre-determined fixed labor distribution.

APPENDIX D

D. Washington Gas General Allocation Methodology

Washington Gas General Allocation Methodology

As noted in the departmental descriptions, there are several shared service functions which, by their nature, benefit Washington Gas and its US affiliates. Such common shared services include, but are not limited to, the consolidation of the financial results, preparation of consolidated tax returns, corporate communications, and other related functions.

Washington Gas allocates most of these costs to its affiliates using the Massachusetts Modified Mass (MMF); the MMF is calculated using three factors - adjusted net revenue, direct & assigned labor and average invested capital.

Washington Gas believes that allocations based on broad measures of business activity are appropriate for allocating expenses resulting from common shared services. Specific factors used to allocate common shared services include the MMF, direct labor charges, or other appropriate indicators of activity approved by the Vice President and Controller. Each affiliate is allocated a portion of Washington Gas's common shared services based on a formula which reflects this philosophy. These costs are allocated to operating affiliates that have underlying cost drivers.

The General Allocation Method is utilized in allocating the costs related to common shared services described above after all costs (and related overheads) that can be directly charged are so charged. This approach is applied to fairly apportion the costs of the identified functions to those affiliates receiving the benefits.

APPENDIX E

E. Methodology for Overhead Calculations

Washington Gas Methodology for Overhead Calculations

Payroll Overheads

Payroll overheads consist of the following employee related expenses: OPEB (Other Post-employment Benefits), pensions, group insurance, 401(k) plans (Savings Plan for management employees, Capital Appreciation Plan for union employees), worker's compensation, FICA tax (company liability), federal unemployment tax and state unemployment tax.

The payroll-related overhead expenses are allocated each accounting period based upon the current period's Labor costs multiplied by a specific benefit overhead rate. The specific benefit overhead rate is calculated as a percentage of the specific budgeted benefit costs compared to the total budgeted Labor costs (ex: $\text{Budgeted FICA Costs} / \text{Total Budgeted Labor Costs} = \text{FICA Benefit Overhead Rate}$). Management will compare the actual costs vs. budgeted costs on a periodic basis and adjust the cost to actual cost if the variance exceeds an established threshold.

Other Supplemental Benefit Costs

Other supplemental benefit costs consist of the expense associated with the non-executive short and long-term incentive compensation plans.

Other Supplemental Benefit Costs are allocated each accounting period based upon the current period's Labor costs multiplied by a specific benefit overhead rate. The specific benefit overhead rate is calculated as a percentage of the specific budgeted benefit costs compared to the total budgeted Labor costs. Management will compare the actual costs vs. budgeted costs on a periodic basis and adjust the cost to actual cost if the variance exceeds established threshold.

Building Service Costs

Building costs represent the cost to operate and maintain the company-owned or leased facilities, including the Springfield Center and the 1000 Maine Avenue office building. These costs include rent, utilities, maintenance, janitorial service, supplies, insurance, taxes and security costs. Each accounting period, building service costs are pooled by facility and allocated to each affiliate based on the labor cost for departments assigned to the facilities. Every month, a calculation is made to determine what each department's labor cost is as a percentage of the total labor charges for the facility. The percentages are then used to allocate each pool of building costs.

Telephone Expense

Telephone expenses include the cost of operating and maintaining Washington Gas' telephone system at all locations. The cost of this service (actual calls, equipment lease costs and overheads) is charged to the appropriate affiliate based on labor charges for the prior 12 months.

Software Expense

Software expenses consist of the cost to operate and maintain certain software systems used by Washington Gas and its affiliates. The cost of this service (depreciation expense, maintenance fees and return on Investment) is allocated to the appropriate affiliate based on the General Allocation Methodology discussed in Appendix D; however, the methodology may vary depending on the nature of the software system.

Below is the summary for the overhead and related allocation factors

Allocation	Basic Calculation
Common Services (General Allocation Method, Appendix D)	Pool costs x Modified Massachusetts Formula
ASUS Corporate Shared Services	Costs x Modified Massachusetts Formula
Payroll Overheads	Pool costs x Benefit Overhead Rate
Executive Supplemental Benefit Costs	Pool costs x Benefit Overhead Rate
Other Supplemental Benefits Costs	Pool costs x Benefit Overhead Rate
Building Services Costs	Pool costs x Direct Labor Costs Ratio
Telephone Expenses	Pool costs x Direct Labor Costs Ratio
Software Expense	Pool costs x Modified Massachusetts Formula or direct assignment

Modified Massachusetts Formula

The Massachusetts Formula is a method used to allocate costs incurred by a parent company on behalf of its affiliates to those affiliates using three allocation factors. WGL determined that adjusted net revenue, direct & assigned labor and average invested capital were the appropriate factors to reflect the cost drivers for each business unit. The total of each affiliate's respective three factors is used as the numerator for that affiliate for the respective factors. The denominator of respective three factors is the total for all affiliates combined. Average of the three factors is calculated for each of the affiliates to arrive at the Modified Massachusetts ratio. ASUS will be allocating corporate shared services from ALA to Washington Gas using this MMF calculation.

Executive Labor Costs Ratio

The total of each affiliate's current month Executive labor charges for the eligible officers is used as the numerator for that affiliate. The denominator of this ratio is the grand total sum of labor charges for all affiliates combined. This calculation is system automated.

Executive Labor Study Ratio – Director and above Workforce

A study is conducted to determine the distribution among affiliates of the director's and above labor charges for the prior fiscal year as a percentage of total director's and above labor cost basis. The twelve-month executive labor charges of each affiliate labor charges are used as the numerator for that affiliate. The denominator of this ratio is the grand total sum of executive labor charges for all affiliates combined.

Direct Labor Costs Ratio

The total of each affiliate's current month labor charges is used as the numerator for that affiliate. The denominator of this ratio is the grand total sum of labor charges for all affiliates combined. This calculation is system automated.

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APPENDIX F

**F. Washington Gas Amounts the Utility Allocated or Assigned by Type of Cost for
Twelve Months Ended December 31, 2023**

CONFIDENTIAL SECTION TO BE FILED SEPARATELY

ATTESTATION

I, Colin Bond, hereby attest that I am Interim Vice President and Controller of Washington Gas Light Company; that I am authorized to execute and file this Attestation with the District of Columbia Public Service Commission; and that the Company's cost allocations and transfer pricing of assets comply with 15 DCMR § 3904 to the best of my knowledge and belief.

A handwritten signature in black ink, appearing to read "Colin D. Bond", written over a horizontal line.

Colin Bond

April 30, 2024

Date

CERTIFICATE OF SERVICE

I, the undersigned counsel, hereby certify that on this 30th day of April, 2024, I caused copies of the foregoing document to be hand-delivered, mailed, postage-prepaid, or electronically delivered to the following:

Christopher Lipscombe, General Counsel
Public Service Commission
of the District of Columbia
1325 "G" Street, NW, 8th Floor
Washington, DC 20005
clipscombe@psc.dc.gov

Laurence Daniels, Esquire
Office of the People's Counsel
for the District of Columbia
655 15th Street, NW, Suite 200
Washington, D.C. 20005
ldaniels@opc-dc.gov



CATHY THURSTON-SEIGNIOUS