

**PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1325 G STREET, N.W., SUITE 800
WASHINGTON, D.C. 20005**

ORDER

July 2, 2025

**FORMAL CASE NO. 1180, IN THE MATTER OF THE APPLICATION OF
WASHINGTON GAS LIGHT COMPANY FOR THE AUTHORITY TO INCREASE
EXISTING RATES AND CHARGES FOR GAS SERVICE, Order No. 22455**

I. INTRODUCTION

1. By this Order, the Public Service Commission of the District of Columbia (“Commission”) grants in part and denies in part Sierra Club’s Motion to Compel Washington Gas Light Company’s (“WGL”) Response to Follow-Up Data Request Nos. 2-1 to 2-4, 2-7, 2-8, 2-16 and 2-17.¹ WGL shall respond to Follow-Up Data Request Nos. 2-2, 2-3, 2-4, 2-16, and 2-17 as limited by paragraph 19 within seven (7) days of the date of this Order.

II. BACKGROUND

2. On August 5, 2024, WGL filed an Application requesting authority to increase existing rates and charges for gas service in the District of Columbia (“District”).² The requested rates are designed to collect approximately \$257.2 million in total revenue, representing a \$45.6 million increase in weather-normalized annual revenue. This includes the transfer of \$11.7 million in costs associated with natural gas system upgrades previously approved by the Commission (PROJECTpipes). The net increase in new revenues is \$33.9 million, reflecting an approximate 11.9% increase over current rates.

3. On April 3, 2025, Sierra Club served Data Request No. 2 on WGL.³ Sierra Club filed its Motion to Compel responses to Data Request Nos. 2-1 to 2-5 and 2-7 to 2-17 on April 15, 2025.⁴ In Order No. 22423, the Commission granted in part and denied in part Sierra Club’s

¹ *Formal Case No. 1180, In the Matter of the Application of Washington Gas Light Company for Authority to Increase Existing Rates and Charges for Gas Service (“Formal Case No. 1180”)*, Sierra Club’s Motion to Compel Washington Gas Light Company’s Response to Follow-Up Data Request Nos. 2-1 to 2-4, 2-7, 2-8, 2-16 and 2-17, filed June 17, 2025.

² *Formal Case No. 1180, Application to Increase Existing Rates (“Application”)*, filed August 5, 2024.

³ *Data Request No. 1180*, Sierra Data Request No. 2 to Washington Gas Light Company, filed April 3, 2025.

⁴ *Formal Case No. 1180, In the Matter of the Application of Washington Gas Light Company for Authority to Increase Existing Rates and Charges for Gas Service (“Formal Case No. 1180”)*, Sierra Club’s Motion to Compel Washington Gas Light Company’s Response to SC Data Request Nos. 2-1 to 2-5 and 2-7 to 2-17, filed April 15, 2025.

Motion. WGL was directed to respond to Data Request Nos. 2-1, 2-2, 2-3, 2-4, 2-7, 2-8, 2-16, and 2-17. WGL filed its Compelled Response on May 29, 2025.⁵

4. On June 5, 2025, Sierra Club filed Follow-Up Data Requests.⁶ WGL filed its Notice of Objections on June 10, 2025.⁷ Sierra Club filed its Motion to Compel on June 17, 2025. WGL filed its Response to the Motion to Compel on June 23, 2025.⁸

III. DISCUSSION

A. **Sierra Club's Follow-Up Data Request Nos. 2-1 through 2-4**

5. Sierra Club's Follow-Up Data Request Nos. 2-1 through 2-4 read as follows:

Follow-Up Data Request No. 2-1 Pursuant to Commission Order No. 22432, provide WGL's total funding of the litigation in the matter it filed in the United States District Court for the District of Columbia in *Washington Gas Light, et al. v. D.C., et al.*, 24-cv-02942, to date, not just what is included in the allocated cost in the historic test year. Please also name other parties that are funding the litigation.

Follow-Up Data Request No. 2-2 Please provide WGL's total funding of the litigation in the matter it filed in the United States District Court for the District of Columbia in *Washington Gas Light, et al. v. Montgomery County, et al.*, 24-cv-03024, to date, not just what is included in the allocated cost in the historic test year. Please also provide a full, separate response to this question. Please also name other parties that are funding the litigation.

Follow-Up Data Request No. 2-3 Please provide WGL's total funding of the litigation in the matter it filed in the United States District Court for the District of Columbia in *District of Maryland in Washington Gas Light, et al. v. McIlwain*, 25-cv-113, to date, not just what is included in the allocated cost in the historic test year. Please also provide a full, separate response to this question. Please also name other parties that are funding the litigation.

Follow-Up Data Request No. 2-4 Please provide WGL's total funding of the litigation in the matter it filed in the United States District Court for the District of Columbia in *Washington Gas Light, et al. v. Montgomery County, et al.*, 25-cv-01019, to date, not just what is included in the allocated cost in the historic test

⁵ *Data Request No. 1180*, WGL Response to Sierra Club Data Request No. 2 ("WGL Compelled Response"), filed May 29, 2025.

⁶ *Formal Case No. 1180*, Sierra Club's Follow-up Questions to Washington Gas Light Company's Compelled Response to Sierra Club's Data Request No. 2, filed June 5, 2025.

⁷ *Formal Case No. 1180*, WGL Notice of Objections, filed June 10, 2025.

⁸ *Formal Case No. 1180*, Washington Gas's Response to Sierra Club Motion to Compel – Follow-up Data Requests Nos. 2-1 to 2-4, 2-7, 2-8, 2-16 and 2-17 ("WGL Response"), filed June 23, 2025.

year. Please also provide a full, separate response to this question. 3 Please also name other parties that are funding the litigation.

1. Positions of the Parties

6. In its Objections, WGL argues that the information sought in these data requests is not relevant and is not likely to lead to the production of admissible evidence. Further, WGL contends that the Follow-Up Data Requests exceed the scope of Order No. 22423 in that they seek litigation costs that are not in rates. Additionally, WGL asserts that litigation funding arrangements are privileged and not relevant.⁹

7. Sierra Club argues that the compelled responses to Data Request Nos. 2-1 through 2-4 are unclear and unresponsive. Specifically, Sierra Club notes that WGL provided litigation expenses only for the test year, while Order No. 22423 did not limit the scope of the data requests to the test year.¹⁰ In the interest of transparency, Sierra Club argues that ratepayers are entitled to know the amount in their rates that are funding litigation. Sierra Club also asserts that WGL did not provide the requested ledger entries to support its cost allocation among jurisdictions for its litigation expenses. Sierra Club requests that the Commission direct WGL to provide specific documentary evidence to show proper cost allocation.¹¹ For Follow-Up Data Request Nos. 2-2 through 2-4, Sierra Club claims that WGL improperly cross-referenced other discovery responses without providing additional information.¹²

8. WGL asserts that the information sought by the Office of the People's Counsel for the District of Columbia is outside of the scope of Order No. 22423, is irrelevant, and is privileged. WGL argues that Order No. 22423 noted that Sierra Club sought this information in the context of determining whether ratepayers would be financing the cost of this litigation.¹³ WGL contends that the directive to produce information about litigation costs in Order No. 22423 was limited to costs that could be included in rate base, not other costs that would not be included in rate base.¹⁴ Additionally, WGL asserts that information regarding litigation funding is typically considered to be privileged information.¹⁵ WGL claims that it has fully complied with Order No. 22423 in providing information about litigation costs for cases within the District during the test year.¹⁶ Further, WGL contends that it identified the USOA account where the litigation costs are included

⁹ WGL Objections at 1-5. The Commission notes that the Objections are not paginated.

¹⁰ Sierra Club Motion to Compel at 3.

¹¹ Sierra Club Motion to Compel at 4.

¹² Sierra Club Motion to Compel at 4.

¹³ WGL Response at 2. The Commission notes that the Response is not paginated.

¹⁴ WGL Response at 3.

¹⁵ WGL Response at 3-4.

¹⁶ WGL Response at 4.

and explained its calculation of the amount of litigation costs to be apportioned to District ratepayers, so Sierra Club has the information that it needs to verify cost allocation.¹⁷

2. Decision

9. In Order No. 22423, the Commission determined that:

The Sierra Club is trying to get information through data requests that would have been available if the Company had put these expenses in a separate expense account. In the interest of transparency and to ensure that ratepayers are not paying an expense that solely benefits shareholders, we direct WGL to answer these data requests, and the answers shall be considered automatically on the record of this case. We are not disallowing the expenses at this juncture but rather directing the Company to identify the expenses and putting the Company on notice that it has the burden of showing that it is in the public interest to include these expenses in the rate base. Therefore, we compel WGL to respond to 2-1, 2-2, 2-3, 2-4, 2-16, and 2-17. For 2-1, 2-2, 2-3, and 2-4, if WGL is not funding the referenced lawsuit, WGL should simply indicate “no” with no further third-party information. We will not compel a response to 2-5 because it is asking about third-party, rather than ratepayer funding.¹⁸

In its compelled response, WGL provides the account in which the litigation expenses are included as well as the allocated amount included in this account for the test year and explains how it calculated those expenses for District ratepayers in the test year.¹⁹ Sierra Club now seeks litigation expense information outside of the test year. In Order No. 22423, the Commission directed WGL to provide information on litigation expenses as part of its burden to show that these expenses should be included in rate base. In linking the litigation expenses to inclusion in rate base, the Commission limited the scope of the data requests to information relevant to this proceeding. Thus, litigation expenses outside of the test year, which would not be included in rates, are beyond the scope of this proceeding. The Commission will not compel responses for litigation expenses beyond the test year. Additionally, Order No. 22423 did not require WGL to indicate whether other parties are funding this litigation and specifically excluded a data request that sought information on third party litigation funding. However, in WGL’s compelled answer to Data Request No. 2-1 it states that the allocated costs of the cases referenced in Data Request Nos. 2-1 and 2-2 to the District in the historic test year were \$14,189. The case referenced in Data Request No. 2-2 is a case in Maryland. The Company has failed to clearly answer the question of whether WGL is using District ratepayer funds to finance the litigation in Data Request No. 2-2. If no, the WGL should state no. If yes, WGL should state how much District ratepayer funds are being used to support this litigation in Maryland. Additionally, the Company has failed to provide a detailed ledger entry/breakdown for the \$14,189, therefore, the Company is directed to provide the breakdown for the test year as directed by Order 22423. Further, while the compelled answers

¹⁷ WGL Response at 6.

¹⁸ *Formal Case No. 1180*, Order No. 22423, ¶ 12, rel. May 21, 2025.

¹⁹ WGL Compelled Response at 2. The Commission notes that the Compelled Response is not paginated.

from WGL in Data Request Nos. 2-3 and 2-4 seem to imply that because the litigation is occurring outside of the District, District ratepayer funds are not being used, it does not affirmatively, or clearly, state that fact. If no District ratepayer funds are being used in the historic test year for the litigation in Data Request Nos. 2-3 and 2-4, WGL should state that fact. If yes, WGL should state how much District ratepayer funds are being used in the historic test year to support the litigation in Data Request Nos. 2-3 and 2-4 and provide detailed ledger entry/breakdown of such costs. Therefore, while the Commission does not compel a response to Follow-Up Data Request No. 2-1, it does compel an answer to Follow-Up Data Request Nos. 2-2 through 2-4 in accordance with this Order.

B. Follow-Up Data Requests Nos. 2-7 and 2-8

10. Follow-Up Data Requests Nos. 2-7 and 2-8 state:

Follow-Up Data Request No. 2-7 Please confirm whether the intent of the response is that Washington Gas has not reviewed any studies on the impacts of electrification on residential and commercial gas uses on gas distribution utility sales, customer counts, revenues, earnings, and other key factors relating to gas utility performance. If this is not the intent of the response, please specifically explain why and clarify the response.

Follow-Up Data Request No. 2-8 Please whether²⁰ the intent of the response is that Washington Gas has not conducted or commissioned *any* studies on the impacts that WGL could reasonably expect to experience as a result of electrification of residential and commercial gas uses on gas distribution utility sales, customer counts, revenues, earnings, and other key factors relating to gas utility performance. If this is not the intent of the response, please specifically explain why and clarify the response.

1. Positions of the Parties

11. For Follow-Up Data Request Nos. 2-7 and 2-8, WGL provided brief negative responses.²¹

12. Sierra Club argues that it propounded Follow-Up Data Request Nos. 2-7 and 2-8 to obtain specific information, since the responses to Data Request Nos. 2-7 and 2-8 were cursory.²² Sierra Club argues that the Commission should compel responses to these follow-up data requests, since WGL's responses are evasive.²³

²⁰ The Commission notes that some words are missing in this data request.

²¹ WGL Objections at 6-7.

²² Sierra Club Motion to Compel at 5.

²³ Sierra Club Motion at Compel at 5-6.

13. WGL asserts that it responded to both Data Request Nos. 2-7 and 2-8 and Follow-Up Data Requests Nos. 2-7 and 2-8, so there is no need to compel responses to these Follow-Up Data Requests.²⁴

2. Decision

14. While WGL's responses to these Follow-Up Data Requests were brief, they responded to the questions posed: whether WGL reviewed any studies on the impacts of electrification on residential and commercial gas uses on gas distribution utility sales, customer counts, revenues, earnings, and other key factors relating to gas utility performance, and whether WGL conducted or commissioned any studies on the impacts that the Company could reasonably expect to experience as a result of electrification. Because WGL confirms they have answered the questions, there is nothing additional to compel. The Commission denies Sierra Club's request to compel responses to Follow-Up Data Request Nos. 2-7 and 2-8.

C. Follow-Up Data Request Nos. 2-16 and 2-17

15. Follow-Up Data Request Nos. 2-16 and 2-17 read:

Follow-Up Data Request No. 2-16 Please respond in full to the request in Sierra Club Data Request No. 2-16 and provide budgets for all lobbying activities, regulatory advocacy, public opinion research, public relations relating to regulatory issues—whether directly or through trade associations, community organizations or other group, and not just for spending recorded in FERC USOA Account 426.4.

Follow-Up Data Request No. 2-17 Please respond full to the request in Sierra Club Data Request No. 2-17 and provide the names and titles of the Company's employees responsible for lobbying and government affairs on behalf of the Company, including salaries and expenses reflected in (1) the test year; (2) current operating budget; and (3) projected or planned expenditure, and not just for spending recorded in FERC USOA Account 426.4.

1. Positions of the Parties

16. WGL argues that these Follow-Up Data Requests are overbroad and not likely to lead to the production of admissible evidence. WGL also argues that some of this information is not within WGL's custody or control. WGL argues that the Follow-Up Data Requests misconstrue Order No. 22423 because that Order requires WGL to provide information regarding lobbying costs that are included in rates, and that that lobbying costs outside of rates are not relevant to this proceeding.²⁵

²⁴ WGL Response at 7-8.

²⁵ WGL Objections at 8-9.

17. Sierra Club alleges that WGL failed to comply with Order No. 22423 in failing to provide this information. Sierra Club asserts that WGL is misinterpreting Order No. 22423 to justify its refusal.²⁶

18. WGL reiterates their argument that the information sought is outside of the scope of this proceeding and is irrelevant.²⁷ WGL also asserts that it does not possess some of the information sought by Sierra Club. In its compelled response, WGL contends that it indicated that it does not include lobbying costs in rates; these costs are included in an account that is not included in Utility Net Operating Income.

2. Decision

19. In reviewing the compelled responses, the Commission notes that they were generally responsive to Sierra Club's original requests in which WGL indicated that these costs are included in FERC USOA Account 426.4, an account that is not included in rate base. WGL also indicates that lobbying expenses for two lobbyists are also recorded in this account.²⁸ Since expenses in FERC USOA Account 426.4 are not included in rate base, any further questions about the expenses in these accounts are not relevant to this proceeding. Likewise, any information not in the possession of WGL cannot be compelled. To the extent that there are lobbying costs that are not included in FERC USOA Account 426.4 in WGL's control, WGL is compelled to provide this information within seven (7) days of the date of this Order. WGL did not respond to costs associated with government affairs. To the extent that there are government affairs costs that are not included in FERC USOA Account 426.4 and are included in the historic test year, WGL is compelled to provide this information within seven (7) days of the date of this Order.

²⁶ Sierra Club Motion to Compel at 6.

²⁷ WGL Objections at 6-7.

²⁸ WGL Compelled Response at 110-111.

THEREFORE, IT IS ORDERED THAT:

20. The Sierra Club's Motion to Compel Washington Gas Light Company's Response to Follow-Up Data Request Nos. 2-1 to 2-4, 2-7, 2-8, 2-16 and 2-17 is **GRANTED in part** and **DENIED in part**; and

21. Washington Gas Light Company **SHALL** provide information responsive to Sierra Club Follow-Up Data Request Nos. 2-2, 2-3, 2-4, 2-16, and 2-17 as limited by paragraph 19 within seven (7) days of the date of this Order.

A TRUE COPY:**BY DIRECTION OF THE COMMISSION:**A handwritten signature in black ink, reading "Brinda Westbrook-Sedgwick". The signature is written in a cursive, flowing style.**CHIEF CLERK:****BRINDA WESTBROOK-SEDGWICK
COMMISSION SECRETARY**

**PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1325 G STREET, N.W., SUITE 800
WASHINGTON, D.C. 20005**

July 2, 2025

**FORMAL CASE NO. 1180, IN THE MATTER OF THE APPLICATION OF
WASHINGTON GAS LIGHT COMPANY FOR AUTHORITY TO INCREASE EXISTING
RATES AND CHARGES FOR GAS SERVICE,**

DISSENT OF COMMISSIONER BEVERLY TO ORDER NO. 22455

The majority just got through issuing an order that designates two issues of fact on the exact subject of this discovery dispute: 1) Whether Washington Gas is using ratepayer funds for legal expenses associated with federal actions to invalidate D.C. law and laws in neighboring jurisdictions; and 2) Whether Washington Gas is using ratepayer funds for lobbying efforts in D.C. and other jurisdictions. Assuming for the sake of argument that these are legitimate issues of fact, rather than simple discovery questions (which could get a yes or no answer, and may not even be disputed), the majority is tying the Sierra Club's hands on the trial issue by giving them less discovery than what the Commission ordered WGL to provide in the order that the Sierra Club is trying to enforce. Rather than enforce the order, the Commission has effectively modified the order and watered it down.¹ This is unreasonable and it's even more unreasonable considering the complete questions and responses between the parties that I have attached to this dissent.²

¹ The majority's Order waters down Order No. 22423 by now limiting WGL's compelled discovery to litigation expenses for the test year only. Regarding lobbying expenses, the Commission waters down Order No. 22423 by removing the requirement of WGL to report "regulatory advocacy, public opinion research, public relations relating to regulatory issues—whether directly or through trade associations, community organizations or other groups," by replacing that with "government affairs." The majority Order also limits what the Company has to report for these expenses to the test year, instead of Order No. 22423 which required the test year, current budget year, and planned future spending.

² A further problem is that the Company normally has the burden of proof but, based on phrasing of the "issue of fact", it's not clear whether the Company is expected to prove a negative or whether the burden is being shifted to the Sierra Club to prove something while simultaneously having their discovery limited.

Attachment A

Relevant data requests and compelled responses to each are included below.

DR 2-1

Is Washington Gas using ratepayer funds to finance the Company's litigation in the matter it filed in the United States District Court for the District of Columbia in *Washington Gas Light, et al. v. D.C., et al.*, 24-cv-02942? If no, indicate if Washington Gas is funding the lawsuit, yes or no. If no, please indicate who is funding the lawsuit on behalf of Washington Gas Light and plaintiffs.

- a. How is WGL ensuring proper cost allocation among jurisdictions for these legal expenses? Please provide detailed ledger entries.³

The Commission directed WGL to respond to question 2-1 with the exception that WGL was not required to provide third party funding.⁴

WGL's compelled response was:

"Yes. The cost of the litigation is included in FERC Uniform System of Accounts ("USOA") account 923.000. These costs were incurred in the interests of Washington Gas customers to defend against complaints intended to dismantle service in the District, contravening federal law. See, [Attachment 1] In the test year, the cost of litigation in the referenced matter was among the costs included in Account 923.000, a portion of which were allocated using the Three Part Factor (Exhibit F-2, Schedule AL, Page 5, Line 30) to DC. The allocated cost of the cases referenced in SC 2-1 and 2-2 to DC in the historic test year was \$14,189.

a. For expenses, the Company's system of internal controls provides reasonable assurance that costs are recorded to the appropriate accounts. An example of the most relevant control is that invoices are reviewed and approved by management personnel in accordance with the Company's Delegation of Authority. Whether costs are directly assigned or allocated to a jurisdiction depends on how they are coded and in what account they are recorded. If an invoice is coded directly to D.C., then there generally is no allocation applied unless it is recorded to an account that is fully allocated as noted in the Company's Jurisdictional Allocation Study

³ *Formal Case No. 1179*, Sierra Club's Data Requests No. 2 to Washington Gas Light Company ("DR 2"). April 3, 2025.

⁴ Order No. 22423, ¶ 12.

(Exhibit WG F-2). The Company has used this methodology for many years, and this methodology has been found acceptable by the Commission past rate case proceedings.”⁵

WGL’s response does not appear to provide “detailed ledger entries” in response to part “a” of the question.

DR 2-2

“Is Washington Gas using ratepayer funds to finance the Company’s litigation in the matter it filed in the United States District Court for the District of Maryland in *Washington Gas Light, et al. v. Montgomery County, et al.*, 24-cv-03024? If no, indicate if Washington Gas is funding the lawsuit, yes or no. If no, please indicate who is funding the lawsuit on behalf of Washington Gas Light and plaintiffs.

a. How is WGL ensuring proper cost allocation among jurisdictions for these legal expenses? Please provide detailed ledger entries”⁶

The Commission directed WGL to respond to question 2-2 with the exception that WGL was not required to provide third party funding.⁷

WGL’s compelled response was:

“Please see the response to SC Data Request No. 2-1.

a. Please see the response to SC Data Request Nos. 2-1.”⁸

Question 2-2 is asking about a different lawsuit against Montgomery County. Question 2-1 was about the District of Columbia.

DR 2-3

“Is Washington Gas using ratepayer funds to finance the Company’s litigation in the matter it filed in the United States District Court for the District of Maryland in

⁵ *Formal Case No. 1180*, Washington Gas Light Company’s Response Sierra Club Data Request No. 2 Questions 2-1 through 2-4, 2-7, 2-8, 2-16, and 2-17 (“WGL Compelled Response”). May 29, 2025.

⁶ DR 2 at 2.

⁷ Order No. 22423, ¶ 12.

⁸ WGL Compelled Response. (unpaginated).

Washington Gas Light, et al. v. McIlwain, 25-cv-113? If no, indicate if Washington Gas is funding the lawsuit, yes or no. If no, please indicate who is funding the lawsuit on behalf of Washington Gas Light and plaintiffs.

- a. How is WGL ensuring proper cost allocation among jurisdictions for these legal expenses? Please provide detailed ledger entries.”⁹

The Commission directed WGL to respond to question 2-3 with the exception that WGL was not required to provide third party funding.¹⁰

WGL’s compelled response is:

“The Company notes that the matter referenced is litigation outside the District of Columbia and not subject to the jurisdiction of the Commission or the courts of the District of Columbia. Further, please see the response to SC Data Request No. 21.

- a. Please see the response to SC Data Request Nos. 2- 1. a and 2-3.”¹¹

The Commission ordered WGL to respond to the request, but instead WGL raised a new objection.

DR 2-4

“Is Washington Gas using ratepayer funds to finance the Company’s litigation in the matter it filed in the United States District Court for the District of Maryland in *Washington Gas Light, et al. v. Montgomery County, et al.*, 25-cv-01019? If no, indicate if Washington Gas is funding the lawsuit, yes or no. If no, please indicate who is funding the lawsuit on behalf of Washington Gas Light and plaintiffs.”¹²

The Commission directed WGL to respond to question 2-4 with the exception that WGL was not required to provide third party funding.¹³

WGL’s compelled response was:

⁹ DR 2 at 2.

¹⁰ Order No. 22423, ¶ 12.

¹¹ WGL Compelled Response.

¹² DR 2 at 2.

¹³ Order No. 22423, ¶ 12.

“The Company notes that the matter referenced is litigation outside the District of Columbia and not subject to the jurisdiction of the Commission or the courts of the District of Columbia. Further, please see the response to SC Data Request No. 21.

a. Please see the response to SC Data Request Nos. 2- 1. a and 2-4.”¹⁴

The Commission ordered WGL to respond to the request, but instead WGL raised a new objection.

DR 2-16

“Please provide the Company’s budget for lobbying activities, regulatory advocacy, public opinion research, public relations relating to regulatory issues—whether directly or through trade associations, community organizations or other groups.

- a. Provide the answer to the above for the test year;
- b. Provide the answer to the above for the current budget year;
- c. Provide the answer to the above for planned future spending.”¹⁵

The Commission compelled WGL to answer the request in full.

WGL’s compelled response was:

“Lobbying costs are recorded in FERC USOA Account 426.4 (Expenditures for certain civic, political and related activities), and this account is not included in Utility Net Operating Income. Specifically, FERC’s Uniform System of Account defines Account 426.4 as follows:

426.4 Expenditures for certain civic, political and related activities. This account shall include expenditures for the purpose of influencing public opinion with respect to the election or appointment of public officials, referenda, legislation, or ordinances (either with respect to the possible adoption of new referenda, legislation or ordinances or repeal or modification of existing referenda, legislation or ordinances) or approval, modification, or revocation of franchises; or for the purpose of influencing the decisions of public officials, but shall not include such expenditures which are directly related to appearances before regulatory or other

¹⁴ WGL’s Compelled Response.

¹⁵ DR 2 at 4.

governmental bodies in connection with the reporting utility's existing or proposed operations.

Typically, accounts not included in Utility Net Operating Income are said to be below-the-line and are not included in the cost of service. Accordingly, and consistent with the Company's accounting treatment in prior rate cases, these costs are not included in the test year in this case nor are they included in the revenue requirement, and are not therefore reflected in amounts proposed to be recovered from ratepayers in the revenue requirement proposed in this case.

a. The amounts reflected in Account 426.4 were excluded from the revenue requirement established using the twelve-months-ended March 2024.

b. The amounts reflected in Account 426.4 are not budgeted such that there is a separate DC budget, because the costs are not included in rates and not subject to jurisdictional rate treatment.

c. The amounts that will be reflected in Account 426.4 are not budgeted such that there is a separate DC budget, because the costs are not included in rates and not subject to jurisdictional rate treatment.”¹⁶

The discovery request itself is for the budget for certain activities. WGL is essentially stating a new objection instead of responding to the request.

DR 2-17

“Please disclose the names and titles of the Company's employees responsible for lobbying and government affairs on behalf of the Company, including salaries and expenses reflected in (1) the test year; (2) current operating budget; and (3) projected or planned expenditure.”¹⁷

WGL was compelled to fully respond to the request.

WGL's Compelled response was:

¹⁶ WGL's Compelled Response.

¹⁷ DR 2 at 4.

“The Company had two registered lobbyists operating in the District during the test year whose lobbying activities were included in Account 426.4. The costs of Account 426.4 are not included in this case, and are not budgeted in future years to reflect jurisdiction specific activities and operations.”¹⁸

WGL’s response does not respond to the request and instead raises a new objection.

¹⁸ WGL’s Compelled Response.

COMMISSION ACTION

FORMAL CASE NO. 1180, IN THE MATTER OF THE APPLICATION OF WASHINGTON GAS LIGHT COMPANY FOR THE AUTHORITY TO INCREASE EXISTING RATES AND CHARGES FOR GAS SERVICE,

Date 7/2/25 Formal Case No. 1180 Tariff No. _____ Order No. 22455

	Approve Initial & Date	Disapprove Initial & Date	Abstain Initial & Date
Chairman Emile Thompson	<u>ET/JP 7/2/25</u>	_____	_____
Commissioner Richard A. Beverly	_____	<u>RB/JP 7/2/25</u>	_____
Commissioner Ted Trabue	<u>TT/JP 7/2/25</u>	_____	_____

Certification of Action

Jamond D. Perry
General/Deputy General Counsel

Lara Walt
OGC Counsel/Staff