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September 29, 2025

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: PEPPOR2025-01 & WGPOR-2025-01 [Washington Gas's Reply Comments
- PUBLIC]**

Dear Ms. Westbrook-Sedgwick:

Pursuant to Notice of Inquiry issued in the above-referenced proceedings please find attached a PUBLIC version of Washington Gas Light Company's Reply Comments.

Please direct questions to the undersigned.

Sincerely,

/s/ Deborah Moss
Deborah Moss
Senior Associate Legal Counsel

cc: Per Certificate of Service

**BEFORE THE
PUBLIC SERVICE COMMISSION
OF THE DISTRICT OF COLUMBIA**

IN THE MATTER OF)	
)	
PEPCO PURCHASE OF RECEIVABLES)	PEPPOR-2025-01
)	
and)	
)	
IN THE MATTER OF THE)	
)	
INVESTIGATION INTO THE)	
ESTABLISHMENT OF A PURCHASE OF)	WGPOR-2025-01
RECEIVABLES PROGRAM FOR NATURAL)	
GAS SUPPLIERS AND THEIR CUSTOMERS)	
IN THE DISTRICT OF COLUMBIA)	

WASHINGTON GAS LIGHT COMPANY’S REPLY COMMENTS

Pursuant to the Notice of Inquiry (“NOI”) and the September 10, 2015 Order Under Delegated Authority issued by the Public Service Commission of the District of Columbia (“Commission”) in the above-captioned matters, Washington Gas Light Company (“Washington Gas” or the “Company”) hereby submits its Reply Comments regarding the adequacy of the Purchase of Receivables (“POR”) program in the District that facilitates payments between Potomac Electric Power Company (“Pepco”) or Washington Gas and competitive suppliers.

I. PROCEDURAL HISTORY

On September 2, 2025, Washington Gas and the Retail Energy Supply Association (“RESA”) filed their comments (respectively, “Washington Gas Comments”

and “RESA Comments”) in response to the NOI. On September 15, 2025, the Office of the People’s Counsel (“OPC”) filed its comments (“OPC Comments”) in response to the NOI.

II. COMMENTS

The OPC Comments express appropriate concerns regarding the practices of some Third Party Supplier (“TPS”) providers. The Company uses the term Competitive Service Provider (“CSP”) in its filings. However, The OPC Comments also assert:

TPS companies operating in the natural gas sector have the option to offer fixed-price contracts to mitigate volatility, yet this practice is not widely adopted. Notably, the only active TPS in the natural gas market is WGL’s affiliate, which consistently offers lower prices than its parent company. OPC recommends that the Commission initiate an investigation into this pricing disparity, including whether the affiliate benefits from insider knowledge or preferential access to customer data and resource acquisition strategies.¹

As shown below, every statement made in the OPC comments regarding the relationship between the Company and its TPS affiliate, WGL Energy Services (“WGL Energy”), is incorrect or, at the very least, highly misleading.

A. WASHINGTON GAS SHARE’S OPC’S CONCERNS ABOUT HARM TO LOW-INCOME AND LIMITED-INCOME HOUSEHOLDS

The OPC Comments express valid concerns about the harms caused to low-income and limited-income households by “aggressive and deceptive marketing practices” and “misleading marketing, excessive rate, and exploitative practices” of some TPS companies. Washington Gas share’s OPC’s concerns about the harm that an unscrupulous TPS company may cause to low-income and limited-income households,

¹ OPC Comments at 6.

as well as to the elderly and other vulnerable populations. Washington Gas supports efforts by the Commission to protect customers.

Washington Gas takes seriously its role in protecting customers who chose to purchase their gas from a TPS company. Twice per year (Spring and Fall), Washington Gas includes billing inserts containing information about the Customer Choice Program, in addition to providing such information on our webpage. After receiving an enrollment notification from a TPS company, Washington Gas sends a letter informing the customer of that enrollment. Additionally, when a customer has a supplier charge on an invoice from Washington Gas, the relevant Purchase Gas Cost (“PGC”) is published immediately above that supplier charge so the customer can see what Washington Gas would charge in that month, in comparison to the customer’s chosen supplier. Finally, in order to engage in billing through Washington Gas, a TPS company must first produce a valid Commission granted license to supply gas in the District.

B. WASHINGTON GAS DOES NOT GIVE PREFERENTIAL TREATMENT TO ANY AFFILIATE(S) OR CUSTOMERS OF AFFILIATE(S) IN PROVIDING REGULATED SERVICES

It is axiomatic that OPC, as the advocate for an investigation into a purported pricing disparity between Washington Gas and WGL Energy, bears the burden of proof.² As shown below, OPC’s claims fall woefully short of meeting its burden of proof. In conformity with 15 DCMR § 3901.5, Washington Gas does not give preferential treatment to any affiliate(s) or customers of affiliate(s) in providing regulated services. With respect

² [*People’s Counsel of District of Columbia v District of Columbia Pub. Service Commission* \(DC APP 1984\) 474 A2d 835, 836, 837](#) (“the proponent of an order bears the burden of persuasion in a contested administrative case”). See also *Formal Case No. 759, In Re Potomac Electric Power Company*, Order No. 8067 at 3 (rel. Aug. 14, 1984) (“There may, however, be contested issues within the context of either a rate case or other cases in which a party other than the utility becomes the proponent of a position. In such situations, the party asserting the issue assumes the burden of proof.”).

to regulated utility services, Washington Gas treats all similarly situated energy suppliers and their customers in the same manner without regard to whether the supplier is a core service affiliate. Washington Gas does not provide insider knowledge or preferential access to customer data to any affiliate, including WGL Energy. Washington Gas's Energy Acquisition unit does not provide any resource acquisition strategies to WGL Energy.

C. THE GAS COSTS CHARGED BY WASHINGTON GAS ARE JUST AND REASONABLE

Every three years, the Commission requires Washington Gas to conduct a management audit of its natural gas planning and procurement practices to allow the Commission to ascertain whether such practices are sufficient to ensure a reliable supply for default gas customers at "fair, just, and reasonable prices."³ The most recent independent audit of Washington Gas' natural gas planning and procurement practices was conducted by Silverpoint Consulting LLC ("Silverpoint") in 2021. Silverpoint's "Management Audit of the Natural Gas Purchasing Processes and Policies of Washington Gas Light Company – Final Report" was filed with the Commission in Formal Case No. PGC-Audit-2021-01 on December 1, 2021 ("Audit Report"). Silverpoint's conclusion, regarding Washington Gas' policies and practices associated with planning for and procuring default gas supply, was that "WGL gas planning and procurement practices ensure reliable default gas supply at a just and reasonable cost."⁴

Specifically, Silverpoint concluded:

Energy Acquisition utilizes appropriate methods and analytical tools to support daily and monthly forecasting and supply design activities. WGL's

³ See *Formal Case No. PGC-Audit-202*, Order No. 21128, ¶ 71, rel. March 11, 2022 ("Order No. 21128").

⁴ Audit Report at 34.

policy of utilizing *storage* gas to keep default gas supply cost relatively stable throughout the month is appropriate, and consistent with the Company's overall cost minimization objective. Supply plans are designed to be flexible so the utility can adapt quickly to changes in the market and in demand. WGL's gas purchasing practices are appropriate and consistent with industry norms, and Energy Acquisition maintains a balanced and diverse portfolio of suppliers"⁵

and had no recommendations for changes to Washington Gas's gas planning and procurement practices.

In Order No. 21128, the Commission's order on Washington Gas's 2021 natural gas purchasing management audit, the Commission adopted the findings in Silverpoint's Audit Report and accepted the Audit Report as filed. Washington Gas is in the process of completing its subsequent independent audit of its natural gas purchasing processes and policies, which will also be filed with the Commission. The final report from the current natural gas purchasing management audit is expected to be filed in late October 2025. Should OPC have any questions about Washington Gas's natural gas planning and procurement practices, it will have yet another opportunity to seek answers to them at that time.

D. WGL ENERGY IS FAR FROM THE ONLY ACTIVE TPS IN THE NATURAL GAS MARKET IN THE DISTRICT OF COLUMBIA

Attachment A (CONFIDENTIAL) identifies the 25 TPS companies that are currently providing supply in the natural gas market in the District of Columbia. Of these 25 TPS companies, 21 provide service to residential customers.

⁵ Audit Report at 34.

E. WGL ENERGY'S PRICES COMPARED TO WASHINGTON GAS

Attachment B (CONFIDENTIAL) is a comparison of historical gas prices charged by Washington Gas and WGL Energy, by month, for the past 10 years.⁶ The prices speak for themselves in terms of a comparison of WGL Energy and Washington Gas. In every month since March 2023, the price charged by Washington Gas to residential customers for natural gas has been lower than the average price reported to Washington Gas by WGL Energy. Price differences between Washington Gas and WGL Energy, both higher and lower, are to be expected precisely because Washington Gas pursues its own independent gas procurement strategy and does not collaborate on such strategy with WGL Energy.

F. WASHINGTON GAS IS THE DEFAULT PROVIDER OF NATURAL GAS IN THE DISTRICT

While Washington Gas takes no position whether TPS companies should provide fixed-price contracts, it agrees that they are a useful in allowing TPS customers to mitigate price movement in their gas costs, where there is no Commission oversight of gas costs. If a customer does not want to take the services provided by a TPS, all residential customers have the option of returning to Washington Gas as their default gas supplier.

⁶ Washington Gas receives gas cost information from WGL Energy to input into the Market Monitoring Report that the Commission has required Washington Gas to file monthly since August 1, 2002. (See *Formal Case No. GT97-3*, Order No. 12427, ¶¶ 5, 7, 9, rel. July 8, 2002). The data in Attachment B (CONFIDENTIAL) is taken from Table 14 of the Market Monitoring Report filed by Washington Gas on September 5, 2025 in Case No. GT96-2.

III. CONCLUSION

Washington Gas appreciates the opportunity to provide its reply comments on the best way to address the issues facing the POR program. Washington Gas respectfully request that the Commission consider the reply comments herein and integrate them into any changes the Commission decides to make to the POR program. Further, Washington Gas respectfully asserts that the recommendation that the Commission initiate an investigation based on OPC's baseless suggestion that any pricing difference between Washington Gas and WGL Energy is the result of nefarious activity should be rejected. Initiating an investigation based on suggestions of wrongdoing that are completely devoid of any merit would be a waste of Commission resources and is wholly unnecessary.

Respectfully submitted,

/s/ Deborah Moss

Deborah Moss

Sr. Associate Legal Counsel

WASHINGTON GAS LIGHT COMPANY

September 29, 2025

PEPPOR-2025-01 - WGPOR 2025-01

Attachment A

Confidential

PEPPOR-2025-01 - WGPOR 2025-01

Attachment B

Confidential

CERTIFICATE OF SERVICE

I, the undersigned counsel, hereby certify that on this 29th day of September 2025, I caused copies of the foregoing PUBLIC document to be hand-delivered, mailed postage prepaid, or electronically delivered to the following:

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