



**RE: Formal Case No. 1162 In the Matter of the Application of Washington Gas Light Company For Authority to Increase Existing Rates and Charges for Gas Service**

October 22<sup>nd</sup>, 2020

Chairman Willie L. Phillips  
Commissioner Richard A. Beverly  
Public Service Commission of the District of Columbia  
1325 G Street N.W., Suite 800  
Washington, D.C. 20005

For the past 123 years, Audubon Naturalist Society (ANS) has worked to help residents of the DMV enjoy, learn about, and protect nature. We specialize in conserving the last natural places left in our region for all to enjoy and advocate for advancing environmental justice in the region. On behalf of our more than 28,000 members and supporters across the DC Metro Area, **ANS opposes Washington Gas's request for a 14.7% rate increase.**

Our opposition to the rate increase request is founded on **the request's incompatibility with District environmental laws, Washington Gas's performance metrics, and the Public Service Commission's mission.** The Commission's mission statement reads:

"The mission of the Public Service Commission of the District of Columbia is to serve the public interest by ensuring that financially healthy utility companies provide safe, reliable and quality utility services at reasonable rates for District of Columbia customers, while fostering grid modernization, conservation of natural resources, preservation of environmental quality, and advancement of the District's climate policy commitments<sup>1</sup>."

Approving Washington Gas's proposed rate increase defies the Commission's charge to serve the public interest. For a rate increase to serve ratepayers, it should reasonably come with an assurance of improved performance. Among other things, **Washington Gas's performance is directly tied to the aforementioned qualities of safety, quality, and reliability.** As of 2018, Washington Gas's performance must also be measured by their ability to meet Merger Agreements pursuant to Formal Case No. 1142<sup>2</sup>. Washington Gas has failed to meet all these basic performance standards, by which the Commission must judge the utility's current request.

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<sup>1</sup> <https://dcpssc.org/About-PSC/About-the-Commission/Mission-and-Goals.aspx>

<sup>2</sup> <https://edocket.dcpssc.org/apis/api/filing/download?attachId=79827&guidFileName=cbe97c3d-66ec-4581-925e-71528236c7ce.pdf>

### **The Rate Increase Will Not Support DC's Climate Policy Commitments**

Washington Gas supplies natural gas to over 100,000 metered customers in Washington, DC. Natural gas is composed primarily of methane, an extremely potent greenhouse gas. On its own, **methane from natural gas is responsible for 23.1% of local greenhouse gas emissions in Washington, DC**<sup>3</sup>. This does not account for methane released and burned during natural gas production via hydraulic fracturing. Including natural gas source emissions in this calculation would significantly increase the amount of emissions that Washington Gas is responsible for in the District.

As per their merger agreement with AltaGas, Washington Gas is legally obligated to develop plans to support the District's climate policy commitments<sup>4</sup>. These commitments include a 50% reduction in greenhouse gas emissions by 2032<sup>5</sup> and net carbon neutrality by 2050<sup>6</sup>. **It is impossible for Washington, DC, to meet these goals without addressing some portion of methane's contribution to the city's emissions.** This means that Washington Gas **must** develop a plan to shift its business model or risk non-compliance with the Merger Agreement.

This March, Washington Gas published its Climate Business Plan in response to AltaGas Merger Agreement No. 79. Instead of detailing plans to shift assets towards renewable energy and reduce emissions, Washington Gas proposed to continue using methane for decades into the future. This plan does not represent any measurable emissions reductions and is incompatible with the District's 2032 and 2050 climate commitments. **The Business Plan fails to meet Washington Gas's performance requirements to support DC's climate commitments.**

**The requested \$35.2 million rate increase does not fulfill the Commission's mission to ensure reasonable utility rates because the increase will not improve Washington Gas's performance.**

Washington Gas has chosen to defy their legal obligation to support DC's climate commitments, despite the ability to invest in alternatives to methane gas that do not worsen climate change. To allow Washington Gas to charge more for this underperforming service without holding the utility accountable for reducing emissions is amoral and contradictory to the Public Service Commission's mission to ensure reliable, quality utility service at reasonable rates.

### **The Rate Increase Will Not Improve the Safety of Washington Gas's Services**

As per the mission statement, the Public Service Commission must also consider the safety of Washington Gas's services when evaluating its rate increase proposal. Not only do Washington Gas's current and proposed business models worsen climate change impacts by continuing to emit methane, these impacts pose an imminent threat to the health and safety of District residents. Climate change is not a far off, distant problem. Overwhelming flooding and stifling heat are harming Washingtonians today and will continue to tomorrow<sup>7,8</sup>.

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<sup>3</sup> <https://doee.dc.gov/service/greenhouse-gas-inventories>

<sup>4</sup> <https://edocket.dcpsec.org/apis/api/filing/download?attachId=79827&guidFileName=cbe97c3d-66ec-4581-925e-71528236c7ce.pdf>

<sup>5</sup> <https://code.dccouncil.us/dc/council/laws/22-257.html>

<sup>6</sup> [https://doee.dc.gov/sites/default/files/dc/sites/ddoe/page\\_content/attachments/Clean%20Energy%20DC%20-%20Full%20Report\\_0.pdf](https://doee.dc.gov/sites/default/files/dc/sites/ddoe/page_content/attachments/Clean%20Energy%20DC%20-%20Full%20Report_0.pdf)

<sup>7</sup> <https://www.washingtonpost.com/weather/2020/07/27/washington-dc-july-record-heat/>

<sup>8</sup> <https://www.nytimes.com/2019/07/09/climate/washington-dc-floods.html>

**Perhaps even more urgently, methane gas is suffocating Washingtonians in their own neighborhoods and homes.** When methane is released into the atmosphere throughout the natural gas supply chain, it reacts with sunlight to form tropospheric ozone<sup>9</sup>. Ozone is the major component in ground-level smog, which is a major respiratory irritant<sup>10</sup>. When methane is burned in a gas stove, it forms nitrogen dioxide, or NO<sub>2</sub>. NO<sub>2</sub> is a toxic gas. **Children living in homes with a gas stove without proper ventilation are 42% more likely to develop asthma than children living in a home without a gas stove**<sup>11</sup>.

Nitrogen dioxide also causes neurological and cardiovascular damage in children<sup>12</sup>. In concentrations generated by gas stoves, nitrogen dioxide worsens preexisting asthma in children and adults alike<sup>13</sup>. This is a direct result of natural gas supply in homes. **The dangerous effects of methane gas cannot be understated given the prevalence of asthma in Washington, DC.** Asthma rates in DC are more than 50% higher than the national average<sup>14</sup> and are particularly high among Washingtonians in Ward 7 and 8<sup>15</sup>. The presence of asthma as a preexisting condition **contributes to increased risk of mortality from COVID-19, and Black Washingtonians make up 75% of Washington, DC's COVID-19 deaths**<sup>16</sup>. The deleterious effects of methane on indoor air quality are a racial and environmental justice issue and have even more dire consequences during a pandemic.

Simply put, **Washington Gas is not providing a safe service.** Safety is core to the Commission's mission and is another area in which Washington Gas is failing to perform. The Commission cannot approve a rate increase for a service that continues to endanger DC residents. If this rate increase were going to result in objectively safer, higher-quality service from Washington Gas, our position might differ.

We recognize the difficulty of balancing the sometimes-competing priorities of the Commission's mission. We also appreciate the thoughtfulness with which the Commission has conducted the review process for this rate request. We share the Commission's desire to ensure that our public utilities are financially healthy enough to provide high-quality service to ratepayers. However, given the city's climate commitments, the health impacts of burning and emitting methane gas, and the current recession, a rate increase is a regressive way of ensuring Washington Gas's survival. **The only way that the Commission can guarantee the safety of the utility and ratepayers alike is by demanding that Washington Gas shift its assets to truly renewable technologies, not biogas.**

To conclude, this rate increase request is unwarranted and unjust. It is an irresponsible response to the physical and economic devastation that the COVID-19 pandemic has wrought on DC residents living at the intersection of the climate and health crises. **By denying the rate increase and demanding that Washington Gas improve its safety and performance, the Commission can and should take advantage of this opportunity to advance environmental justice for District residents.**

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<sup>9</sup> <https://www.ccacoalition.org/ru/slcps/tropospheric-ozone>

<sup>10</sup> Ibid.

<sup>11</sup> <https://rmi.org/indoor-air-pollution-the-link-between-climate-and-health>

<sup>12</sup> <https://rmi.org/insight/gas-stoves-pollution-health>

<sup>13</sup> <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2569107/>

<sup>14</sup> [http://www.asthmafreedc.org/wp-content/uploads/2017/08/asthma\\_facts\\_poster\\_web.pdf](http://www.asthmafreedc.org/wp-content/uploads/2017/08/asthma_facts_poster_web.pdf) /

<sup>15</sup> <https://washingtoncitypaper.com/article/180182/doctors-blame-dcs-high-asthma-rates-in-part-on-poor-housing/>

<sup>16</sup> <https://coronavirus.dc.gov/data>

Thank you,

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