



**Sandra Mattavous-Frye, Esq.**  
People's Counsel

November 17, 2020

**VIA ELECTRONIC FILING**

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

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

Dear Ms. Westbrook-Sedgwick:

Enclosed for filing in the above-referenced proceeding, please find the **PUBLIC VERSION** *Office of The People's Counsel for the District of Columbia's Cross-Examination Exhibits List*.

If there are any questions regarding this matter, please contact me at (202) 727-3071.

Sincerely,

/s/Timothy R. Oberleiton  
Timothy R. Oberleiton  
Assistant People's Counsel

Enclosure

cc: Parties of record

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

<b>IN THE MATTER OF</b>	)	
<b>THE APPLICATION OF WASHINGTON</b>	)	
<b>GAS LIGHT COMPANY FOR</b>	)	<b>Formal Case No. 1162</b>
<b>AUTHORITY TO INCREASE EXISTING</b>	)	
<b>RATES AND CHARGES FOR</b>	)	
<b>GAS SERVICE</b>	)	

**CROSS-EXAMINATION EXHIBITS LIST OF THE  
OFFICE OF THE PEOPLE’S COUNSEL FOR THE DISTRICT OF COLUMBIA**

In accordance with the Public Service Commission of the District of Columbia’s (“Commission” or “PSC”) FC1162 Virtual Evidentiary Hearing Policies and Procedures guidance document transmitted to the parties on November 9, 2020 and the Rules of Practice and Procedure,<sup>1</sup> the Office of the People’s Counsel for the District of Columbia (“Office” or “OPC”), the statutory representative of District of Columbia ratepayers with respect to utility matters,<sup>2</sup> submits the Office of the People’s Counsel for the District of Columbia’s *Cross-Examination Exhibits List*.

**A. STIPULATED EXHIBITS INTENDED TO BE USED FOR CROSS  
EXAMINATION (WITHOUT ATTACHMENTS)**

<u>Stipulated Exhibit Number</u>	<u>Description</u>	<u>Date Identified</u>	<u>Date Admitted</u>	<u>Admitted as Exhibit Number</u>
<b><u>Witness Tuoriniemi</u></b>				
Exhibit OPC-37	WGL Response to OPC Data Request No. 31-14			
Exhibit OPC (A)-49	WGL <b>Confidential</b> Response to OPC Follow-Up Data Request No. 11-19			
<b><u>Witness Gibson</u></b>				
Exhibit OPC (A)-44	WGL Response to OPC Data Request No. 4-11			
Exhibit OPC (A)-35	WGL Response to OPC Data Request No. 4-17			
Exhibit OPC (A)-33	WGL Response to OPC Follow-Up Data Request No. 9-28 (includes <b>Confidential</b> attachments)			

<sup>1</sup> 15 DCMR §§ 105.8 and 105.9 (Lexis 2020).

<sup>2</sup> D.C. Code § 34-804 (Lexis 2020).

Exhibit OPC (A)-31	WGL Response to OPC Data Request No. 11-35			
Exhibit OPC (A)-30	WGL Response to OPC Data Request No. 18-32			
Exhibit OPC (A)-34	WGL Response to OPC Data Request No. 21-15			
<b>Witness G. Walker</b>				
Exhibit OPC (A)-29	Exhibit OPC Data Request No. 21-3 (includes <b>Confidential</b> attachments)			

**B. NEW EXHIBITS INTENDED TO BE USED FOR CROSS EXAMINATION  
(WITH ATTACHMENTS)**

<u>Cross Exhibit Number</u>	<u>Description</u>	<u>Date Identified</u>	<u>Date Admitted</u>	<u>Admitted as Exhibit Number</u>
<b>Witness Tuoriniemi</b>				
OPC Cross Exhibit No. 1	WGL Response to OPC Data Response No. 31-7			
OPC Cross Exhibit No. 2	WGL Response to OPC Data Response No. 32-5 ( <b>Confidential</b> ; without attachments)			
<b>Witness Mannix</b>				
OPC Cross Exhibit No. 3	WGL Response to OPC Data Request No. 9-13			

Respectfully submitted,

*Timothy R. Oberleiton*

Timothy R. Oberleiton, Esq.  
Assistant People's Counsel  
D.C. Bar No. 1617107

**OFFICE OF THE PEOPLE'S  
COUNSEL FOR THE DISTRICT  
OF COLUMBIA**

1133 15th Street, NW, Suite 500  
Washington, D.C. 20005-2710  
(202) 727-3071

**Dated:** November 17, 2020

**Formal Case No. 1162**  
**OPC Cross Exhibit No. 1**

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

WASHINGTON GAS LIGHT COMPANY

FORMAL CASE NO. 1162

WASHINGTON GAS'S RESPONSE  
AND/OR NOTICE OF OBJECTION/UNAVAILABILITY TO  
THE OFFICE OF PEOPLE'S COUNSEL

OPC DATA REQUEST NO. 31

QUESTION NO. 31-7

- Q. Three-Prong Standard.** Address the following regarding the Commission's Three-Prong Standard:
- a. Explain how WGL's Direct and Rebuttal Testimony addresses and justifies the inclusion of CWIP in rate base per the Commission's Three-Prong Standard (as addressed by OPC Witness Ostrander (Exhibit A), page 20, lines 7 to 26, and page 21, lines 1-20, and page 22, lines 1 to 10), and provide a citation to specific WGL testimony that explains and addresses this issue.

**WASHINGTON GAS'S RESPONSE**

**10/01/2020**

- A.** Please refer to Exhibit WG(D), pages 49 to 55 and WG(3D) pages 15 to 19 for Washington Gas's recommendation to included CWIP in rate base, in addition to the "Three-Prong Standard."

SPONSOR: Robert E. Tuoriniemi  
Chief Regulatory Accountant

Formal Case No. 1162  
OPC Cross Exhibit No. 2 (**Confidential**)

**CONFIDENTIAL EXHIBIT OMITTED FROM PUBLIC VERSION**

**Formal Case No. 1162**  
**OPC Cross Exhibit No. 3**

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

WASHINGTON GAS LIGHT COMPANY

FORMAL CASE NO. 1162

WASHINGTON GAS'S RESPONSE  
AND/OR NOTICE OF OBJECTION/UNAVAILABILITY TO  
THE OFFICE OF PEOPLE'S COUNSEL

OPC DATA REQUEST NO. 9

QUESTION NO. 9-13

- Q. Tax Sharing Agreements.** Provide copies of all pre- and post-merger Tax Sharing Agreements for years 2016 to 2017 between WGL and affiliates for pre-merger, and for years 2018 to 2020 between AltaGas and WGL for post-merger.

**WASHINGTON GAS'S RESPONSE**

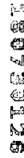
05/27/2020

- A.** Please refer to the PDF files entitled "Post Merger Tax Sharing Agreement v1" and "Pre Merger Tax Sharing Agreement v1".

SPONSOR: Robert E. Tuoriniemi  
Chief Regulatory Accountant



POLICY FOR FILING CONSOLIDATED INCOME  
TAX RETURNS AND FOR ALLOCATION OF  
LIABILITIES AND BENEFITS ARISING FROM  
SUCH CONSOLIDATED  
TAX RETURNS BETWEEN  
ALTAGAS SERVICES (U.S.) INC. AND SUBSIDIARY COMPANIES



This Policy is effective for all tax periods commencing on July 7, 2018, and thereafter.

AltaGas Services (U.S.) Inc. ("ASUS") is the Common Parent of an affiliated group of corporations within the meaning of section 1504(a) of the Internal Revenue Code of 1986, as amended from time to time (the "Code"), consisting of the Members listed in Exhibit A. The purpose of this Policy is to establish a method for allocating the consolidated, combined, or unitary tax liabilities of the affiliated group among its Members in a manner that fairly preserves the economic rights and privileges that would have accrued to each Member from the filing of separate returns, including the benefit of losses and credits utilized in the Consolidated Return. Each Member of the ASUS and WGL Holdings Inc.'s ("WGL Holdings") affiliated groups (these are the C corporation subsidiaries of these entities which are listed in Exhibit A) retain all of the tax attributes that each Member possesses on a separate return basis at the time of the close of the merger of WGL Holdings with AltaGas Ltd., net of any changes to those attributes that may be caused by the merger and any adjustments imposed by taxing authorities effective as of the time of the close of the merger, including adjustments imposed by the Internal Revenue Service and/or state taxing authorities.

Definitions

"Code" means the Internal Revenue Code of 1986, as amended.

"Common Parent" means an entity connected to Members through stock ownership (within the meaning of section 1504(a) of the Code, which in the case of this Policy is ASUS).

"Consolidated Group" means ASUS and all of its subsidiaries which, from time to time, may be included in any federal income tax return filed by ASUS in accordance with Sections 1501 and 1502 of the Code.

"Consolidated Return" means any consolidated federal income tax return or other return filed by ASUS which includes one or more Members of the ASUS Group in a consolidated, combined or unitary group of which ASUS is the Common Parent.

"Corporate Taxable Income" means the taxable income or loss of a Member for a tax year computed as though such company had filed a separate return on the same basis as used in the Consolidated Return, except that dividend income from Members shall be disregarded, and other

intercompany transactions eliminated in the Consolidated Return shall be given appropriate effect.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12

"Designated Official" means the Chief Financial Officer, Chief Accounting Officer or Tax Director of ASUS or other authorized person(s), based on recommendations from a tax committee comprised of representatives of Member companies of the Consolidated Group.

"Final Determination" means (i) with respect to Federal Taxes, a "determination" as defined in Section 1313(a) of the Code or execution of an Internal Revenue Service Form 870-AD and, with respect to taxes other than Federal Taxes, any final determination of liability in respect of a tax that, under applicable law, or not subject to further appeal, review, modification through proceedings or otherwise, (ii) any final disposition of a tax issue by reason on the expiration of a statute of limitations, or (iii) the payment of tax by ASUS with respect to any Item disallowed or adjusted by any taxing authority where ASUS determines in good faith that no action should be taken to recoup such payment.

"Member" means an entity participating in this Policy (listed in Exhibit A).

"Regulations" means the Treasury Regulations promulgated under the Code and applicable state regulations.

"Separate Return Tax" means the tax on the Corporate Taxable Income of a corporation which is a Member computed for purposes of this Policy as though such company were not a Member of the Consolidated Group. The Common Parent shall calculate each Member's federal income tax payable on a separate company basis in a manner consistent with the tax elections, methods of accounting and other positions taken on the consolidated federal income tax return.

#### Allocation of Consolidated Tax Liability

The Consolidated Return tax liability (after consideration of credits allowed) of the ASUS Consolidated Group will be allocated to each Member of the Consolidated Group using the Percentage Method. This method calculates the ratio of each Member's separate taxable income to the sum of the separate taxable incomes of all the Members, and multiplies each ratio against the sum of the separate taxable incomes to derive each Member's share of the Consolidated Return tax liability. Any difference between the aggregate of the individual Separate Return Tax of the group Members and that of the Consolidated Group is allocated among the Members in a systematic, rational and consistent manner in accordance with Generally Accepted Accounting Principles and Treasury Regulation 1.1502, such consistency and reasonableness to be determined or approved by a Designated Official. Credits allowed against the Consolidated Return tax liability are utilized on a FIFO (first-in, first-out) basis and attributed to the contributing Member(s) based first on utilization, and secondarily on a pro-rata basis based on the percentage of total credits allowed in a given year contributed by each contributing Member. In addition, a Designated Official shall decide whether to include or exclude from this Policy any entity that is, for federal income tax purposes, disregarded as separate from a Member of such affiliated group.

This Policy provides that the tax attributable to separate company state filings are the responsibility of the filing entity. State tax returns filed on a consolidated or combined basis are treated similarly to the method used to allocate the consolidated federal tax liability, in which the consolidated

180730120

or combined tax liability is allocated pro-rata based on each Member's contribution to the consolidated or combined tax liability.

Settlement of Allocation

The Common Parent will have the sole responsibility of making any required payments to the Internal Revenue Service or state taxing authority in satisfaction of the consolidated or combined income tax liability of the Consolidated Group for each fiscal year. Each Member shall pay to the Common Parent its allocated share of consolidated federal tax liability, or state consolidated or combined Income tax liability, within 90 days after the Common Parent files a consolidated United States Corporation Income Tax Return for any taxable period (or at such later date as agreed to by the Common Parent and the applicable Member). Similarly, each Member benefitting from another Member's net operating losses, tax credits, or other tax attributes shall pay to the Common Parent its allocation within 90 days after the Common Parent files a consolidated United States Corporation Income Tax Return for any taxable period (or at such later date as agreed to by the Common Parent and the applicable Member).

The Common Parent shall pay to each Member with a net operating loss, tax credits, or other tax attributes during the taxable year, its allocable share of the total of the amounts due from other Members within 90 days after the Common Parent files a consolidated United States Corporation Income Tax Return for any taxable period (or at such later date as agreed to by the Common Parent and the applicable Member). All payments shall be adjusted to reflect any quarterly estimated tax payments made by any Member.

In lieu of any payment due to or from any Member, a Designated Official may make appropriate accounting entries.

In accordance with the preferred method for income tax reporting of tax benefits in the financial statements of separate reporting entities, this Policy will not treat a payment to a subsidiary as a tax sharing payment unless the subsidiary's tax benefit has been utilized by the Consolidated Group.

Audits, Assessments and Other Administrative Matters

Under this Policy, and in accordance with Treasury Regulation Section 1.1502-77, the Common Parent will be the agent for all Members of the Consolidated Group and has the power, without the consent of any Member of the Consolidated Group, to make or revoke any elections. In addition, the Common Parent shall control the defense or prosecution of any audit, assessment, or administrative or judicial proceeding relating to, or with potential impact upon, any consolidated federal or state tax liability. The Members of the Consolidated Group shall provide information and documents reasonably requested of them by the Common Parent or by the Internal Revenue Service or other state taxing authorities with respect to matters relating to their respective tax items.

CONFIDENTIAL

In the event the consolidated federal tax liability is subsequently changed or otherwise adjusted by reason of an amended return, a claim for refund, a Final Determination, or otherwise, the original allocations will be adjusted accordingly and approved by the Designated Official. The amounts of any such adjustment shall become due and owing on the 90th day following the date the change in liability is officially acknowledged by the taxing authority (or at such later date as agreed to by the Common Parent and the applicable Member). In the case of a refund, the Common Parent shall remit the allocable share of such refund to the applicable Members within 90 days of receipt (or at such later date as agreed to by the Common Parent and the applicable Member). If any interest is owed or received as a result of a consolidated tax deficiency or refund, such interest owed or received will be allocated among the Members. To the extent an adjustment results in penalties being imposed, such penalties will be allocated first by specific identification to the Member or Members to which the penalties are attributable, and secondarily using the Percentage Method used in determining each Member's share of the Consolidated Return tax liability as described in the "Settlement of Allocation" section of this policy. Any Member having an overpayment of tax shall be credited with interest on such overpayment; and any Member having an underpayment of tax shall be allocated a portion of the total interest due and payable equal to the amount of interest on such underpayment calculated in accordance with IRC Section 6601.

Upon the departure of any Member of the Consolidated Group, such Member shall allocate its items of income, deductions, loss and credit between the period that it was a Member of the Consolidated Group and the period thereafter based upon a methodology determined by the Common Parent and which is also respected for tax purposes (e.g., if a departing Member has been paid for attributes utilized by another Member of the group, and such attributes are retained by the departing Member under the tax rules, then to the extent the departing Member has been paid either in cash or through the creation of a receivable for those losses, such prior settlement will be reversed). In the event a new subsidiary becomes a Member of the Consolidated Group, either by purchase, formation of a new company, or otherwise, and subject to any necessary regulatory approvals, such new subsidiary shall be included under this Policy and such inclusion shall be evidenced by written consent of the Designated Official and the new subsidiary.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60  
61  
62  
63  
64  
65  
66  
67  
68  
69  
70  
71  
72  
73  
74  
75  
76  
77  
78  
79  
80  
81  
82  
83  
84  
85  
86  
87  
88  
89  
90  
91  
92  
93  
94  
95  
96  
97  
98  
99  
100

Exhibit A

AltaGas Services (U.S.) Inc.	FEIN: 81-0540879
AltaGas Facilities (U.S.) Inc.	FEIN: 81-0540880
AltaGas Marketing (U.S.) Inc.	FEIN: 81-0540878
AltaGas Power Holdings (U.S.) Inc.	FEIN: 99-0372541
AltaGas Renewable Energy Midwest Inc.	FEIN: 98-0469575
Blythe Energy Inc.	FEIN: 33-0961586
AltaGas Blythe Operations Inc.	FEIN: 46-2684205
AltaGas Sonoran Energy Inc.	EIN: 52-2315574
AltaGas Brush Energy Inc.	FEIN: 47-2856440
AltaGas Ripon Energy Inc.	FEIN: 71-0959720
AltaGas Pomona Energy Inc.	FEIN: 80-0944717
AltaGas Pomona Energy Storage Inc.	FEIN: 81-3493525
AltaGas San Joaquin Energy Inc.	FEIN: 38-3889032
AltaGas Tracy Operations Inc.	FEIN: 47-5521970
AltaGas Ripon Operations Inc.	FEIN: 47-5545522
AltaGas Decker Energy Inc.	FEIN: 59-2204813
Decker Energy- Grayling, Inc.	FEIN: 31-1201597
AltaGas Utility Holdings (U.S.) Inc.	FEIN: 41-2281942
Semco Holding Corporation	FEIN: 26-1339664
SEMCO Energy, Inc.	FEIN: 38-2144267
Alaska Pipeline Company	FEIN: 74-1363231
NORSTAR Pipeline Company, Inc.	FEIN: 92-0175356

p!!  
00  
(:)  
"!!  
W

SEMCO Construction Parent Company	FEIN: 38-3548669
SEMCO Energy Ventures, Inc.	FEIN: 38-2683829
SEMCO Pipeline Company	FEIN: 38-2882585
SEMCO Gas Storage Company	FEIN: 38-2882586
Hoflame Gas, Inc.	FEIN: 38-3386501
SEMCO-CINGSA Storage Company	FEIN: 27-3117168
WGL Holdings, Inc.	FEIN: 52-2210912
Washington Gas Light Company	FEIN: 53-0162882
Hampshire Gas Company	FEIN: 52-0787226
Washington Gas Resources Corporation	FEIN: 54-1852163
WGL Energy Services, Inc.	FEIN: 52-1542887
WGL Energy Systems, Inc.	FEIN: 62-1366463
Crab Run Gas Company	FEIN: 52-0908630
WGSW, Inc.	FEIN: 27-3540302
WGL Midstream, Inc.	FEIN: 52-2278240

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

AGREEMENT FOR FILING CONSOLIDATED  
INCOME TAX RETURNS AND FOR  
ALLOCATION OF LIABILITIES AND BENEFITS  
ARISING FROM SUCH CONSOLIDATED  
TAX RETURNS BETWEEN  
WGL HOLDINGS, INC. AND SUBSIDIARY COMPANIES

This amended and restated agreement is entered into as of March 15, 2011 and is effective for all tax years ending September 30, 2011 and thereafter. This Agreement is an amended and restated version of the Agreement for filing consolidated income tax returns and for the allocation of liabilities and benefits arising from such consolidated tax returns between WGL Holdings, Inc and its subsidiaries dated September 30, 2001. The parties intend to continue to file income tax returns as was done under the prior agreement; the purpose of this amended and restated agreement is to add subsidiaries that have been formed since the prior agreement was executed, to delete subsidiaries that are no longer part of the consolidated group, to add provisions admitting new subsidiaries, and to correct certain no longer applicable legal and regulatory references.

The following members of WGL Holdings, Inc., an affiliated group of corporations as described in Section 1504 of the Internal Revenue Code, hereby authorize their common parent corporation, WGL Holdings, Inc. ("Holdings") to make and file a consolidated federal income tax return on behalf of the group.

The members may join in the filing of certain consolidated state income tax returns (to the extent permitted or required under applicable state income tax laws) and it is now the intention of the group to enter into an agreement for the allocation of current state income taxes.

Name and Address	Federal Employer Identification Number
WGL Holdings, Inc. 101 Constitution Ave Washington, D.C. 20080	52-2210912
Washington Gas Light Company 101 Constitution Ave Washington, D.C.	53-0162882
Hampshire Gas Company 101 Constitution Ave Washington, D.C. 20090	52-0787226
Crab Run Gas Company 101 Constitution Ave Washington, D.C. 10080	52-0908630
Washington Gas Energy Services, Inc. 101 Constitution Ave Washington, D.C. 20080	52-1542887



180730128

Washington Gas Energy Systems, Inc. Ave Washington, D.C. 20080	62-1366463 101 Constitution
Washington Gas Resources Corp. 101 Constitution Ave Washington, D.C. 20080	54-1852163
Capitol Energy Ventures Corp. (FKA Washington Gas Credit Corporation) 101 Constitution Ave Washington, D.C. 20080	52-2278240
WGSW, Inc. 101 Constitution Ave Washington, D.C. 20080	27-3540302

The parties agree to allocate the liabilities and benefits arising from such consolidated returns in the manner prescribed below.

(1) Definitions:

"Consolidated taxable income" is the income or loss of a company for a tax year, computed as though such company had filed a separate return on the same basis as used in the consolidated return except (a) dividend income from member companies is disregarded and (b) other intercompany transactions eliminated in the consolidated return shall be given appropriate effect.

"Consolidated tax" is the aggregate current U.S. federal income tax liability for a tax year, being the tax shown on the consolidated federal income tax return and any adjustments thereto which are thereafter determined. If, because of a consolidated net operating loss, investment tax credit, carrybacks, etc., a refund is due, the consolidated tax for the current year will be that refund.

"Separate return tax" is the tax on the corporate taxable income or capital of a company including the effect of any particular feature of the tax law, differences in tax rates, investment tax credits etc., applicable to it. Separate return tax may be either positive or negative.

(2) The consolidated tax shall be apportioned among the members of the group utilizing the "separate return tax" method in the manner prescribed below:

- a) Dividend income from other members of the group and intercompany transactions recorded by consolidation entries that affect the consolidated tax will be assigned to the appropriate member necessitating the intercompany elimination for the purpose of computing separate return tax.

11620003

- b) With the exception of Holdings, each member of the group having negative separate return tax will receive current payment in an amount equal to such negative separate return tax if that member had sufficient taxable income in the carryback period to utilize its negative separate return tax. A member of the group that cannot utilize its negative separate return tax on a stand alone basis in either the current period or the permitted carryback period will not receive payment for their negative separate return tax until that member generates sufficient taxable income to utilize its losses. The benefits of the negative separate return tax not utilized currently by the member will serve to reduce to reduce the tax payment obligation of the positive separate return tax members. The positive separate return tax member will record a liability to Holdings for this reduction. Holdings will record a liability for the negative separate return tax to the loss member. Members with a negative separate return tax will not participate in the allocation of Holdings' loss, if applicable, for that year. If, because of carryback or other restrictions, the aggregate of all negative separate return taxes is not entirely usable in the current year's return, the portion which is usable will be apportioned among the members having negative separate return tax in proportion thereto. Upon recognition of previously restricted negative separate return tax benefits by a member in future allocations, the consolidated tax allocation of the member will be reduced and the excess will be charged back to the members who were allocated the prior benefit.
- c) Holdings' negative separate return tax will be allocated currently to positive separate return tax members on the ratio of the positive separate return tax to the total positive separate return tax. Any Holdings' positive separate return tax will be allocated to Holdings. Holdings may not subsequently utilize the benefits of its negative separate return tax that was previously allocated to other members.
- d) Each member of the group, after intercompany eliminations, will pay an amount equal to its proportionate share of the consolidated tax liability to subsidiary members having negative separate return tax, for which separate return loss was utilized to offset consolidated taxable income, based on the ratio of its separate return tax to the total of the separate return taxes of members having positive separate return tax, assuming such loss companies meet the carryback requirement of sub-section (b) above.
- (3) In the event the consolidated return reflects a net operating loss or excess investment tax credit and cannot be totally carried back, the tax benefit of such net operating loss or excess shall be allowed as a carryover to future years. In the event they cannot be fully utilized on a consolidated basis, a proportionate allocation under Section (2) will be made. If and when the tax benefits are realizable on a consolidated basis in a subsequent year, such tax benefits shall be allocated to the members originally denied such benefits in the year the items were generated.
- (4) In the event the consolidated tax is subsequently materially revised by amended returns, interim payments or refunds, or, in any event, by a final determination, such changes shall be allocated in the same manner as though the adjustments on which they are based had formed part of the original consolidated return. The tax effect of negotiated adjustments that do not include an item-by-item modification of the return shall be allocated in accordance with Section (2) (d) of this agreement or, consideration all the facts and circumstances, under such other method as may be determined to be more fair and equitable.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60  
61  
62  
63  
64  
65  
66  
67  
68  
69  
70  
71  
72  
73  
74  
75  
76  
77  
78  
79  
80  
81  
82  
83  
84  
85  
86  
87  
88  
89  
90  
91  
92  
93  
94  
95  
96  
97  
98  
99  
100

(5) No subsidiary company, as a result of the method of allocation described herein, shall be required to pay more tax than its separate return tax as defined in Section (1).

(6) Any current state income tax liability or benefit associated with a state income tax return or franchise tax return involving more than one member shall be allocated to such subsidiaries doing business in such state based on their separate return liabilities and other principles set forth herein.

No member is to be allocated a state tax that is greater than its state tax liability had it filed a separate return, including the carryback/carryforward period. All available credits are to be allocated to the member generating the credit prior to the allocation of the system tax liability is available on a separate return basis.

Similar to Section 2(b) for federal income taxes, a member of the group that cannot utilize its negative separate return tax on a stand alone basis either in the current period or permitted carryback period will not receive payment for their negative separate return tax until that member generates sufficient taxable income to utilize its losses.

In the event the consolidated state income tax liability for any year is redetermined subsequent to the allocation of the consolidated tax liability reported for that tax year, the redetermined tax liability shall be allocated pursuant to this agreement as if the adjustments and modifications related to this determination had been part of the original return. Any interest or penalties associated with underpayment or overpayment of tax shall be allocated based on the allocation of the underlying underpayment or overpayment of tax.

(7) This agreement shall be effective with respect to all taxable years ending on or after the date hereof, in which any subsidiary is a member of the consolidated group for any portion of the tax year. In the event that a party to this agreement ceases to be a member of the consolidated group, the rights and obligations of such party and each other party to this agreement shall survive, but only with respect to taxable years including or ending before the date such party ceases to be a member of the consolidated group.

(8) In the event that any member of the consolidated group at any time leaves the group and, under any applicable statutory provision or regulation, that member is assigned and deemed to take with it all or a portion of any of the tax attributes of the group (including but not limited to net operating loss and credit carryforwards), then to the extent that the amount of tax attributes differs from the amount of such attributes previously allocated to such member under this agreement, the departing member shall appropriately settle with the consolidated group. Such settlement shall consist of a payment (1) on a dollar for dollar basis for all differences in credits, and (2) in the case of net operating loss differences, in an amount computed by reference to the amount of net operating loss multiplied by the applicable tax rate relating to such net operating loss. The settlement amounts shall be allocated among the

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50

remaining members of the group in proportion to the relative level of attributes possessed by each member and the attributes of each member shall be adjusted accordingly.

Upon the departure of any member of the group, such member shall allocate Its Items of Income, deduction, loss and credit between the period that It was a member of the group and the period thereafter based upon a methodology determined by Holdings.

- (9) In the event that a new subsidiary becomes a member of the group, either by purchase, formation of a new company, or otherwise, and subject to any necessary regulatory approvals, such new subsidiary may be Included as a party to this agreement by the written consent of the Treasurer of Holdings and the new subsidiary.

This agreement may be executed in one or more counterparts, each of which, taken together, shall be deemed to constitute a single agreement.

WGL Holdings, Inc.	By: s/Vincent L. Ammann, Jr. VincentLAmman,Jr. Vice President and Chief Ananclai Officer
Washington Gas Light Company	By: s/William Ford William Ford Controller
Hampshire Gas Company	By: s/Karen B. Pancost Karen B. Pancost Secretary
Crab Run Gas Company	By: s/Karen B. Pancost Karen B. Pancost Secretary
Washington Gas Energy Services, Inc.	By: s/ Harry A. Warren Harry A. Warren President
Washington Gas Energy Systems, Inc.	By: s/Karen B. Pancost Karen B. Pancost secretary
Washington Gas Resources Corp.	By: s/ Karen B. Pancost Karen B. Pancost Secretary
Capitol Energy Ventures Corp.	By: s/Karen B. Pancost Karen B. Pancost Secretary

WGSW, Inc.

By: s/ Karen B. Pancost  
Karen B. Pancost  
Secretary

150739123

## CERTIFICATE OF SERVICE

### *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*

I certify that on November 17, 2020, a copy of the **PUBLIC VERSION** *Office of The People's Counsel for the District of Columbia's Cross-Examination Exhibits List* was served on the following parties of record by hand delivery, first class mail, postage prepaid or electronic mail:

Brinda Westbrook-Sedgwick  
Public Service Commission  
of the District of Columbia  
1325 G Street, NW, Suite 800  
Washington, DC 20005  
[bwestbrook@psc.dc.gov](mailto:bwestbrook@psc.dc.gov)

Lara Walt, Esq.  
Public Service Commission  
of the District of Columbia  
1325 G Street, NW, Suite 800  
Washington, DC 20005  
[lwalt@psc.dc.gov](mailto:lwalt@psc.dc.gov)

Brian R. Caldwell, Esq.  
Office of the Attorney General  
Public Integrity Unit  
441 4th Street, Suite 600-S  
Washington, DC 20001  
[Brian.Caldwell@dc.com](mailto:Brian.Caldwell@dc.com)

Frann G. Francis, Esq.  
Apartment and Office Building Association of  
Metropolitan Washington  
1025 Connecticut Avenue, N.W., Suite 1005  
Washington, D.C. 20036  
[ffrancis@aoba-metro.org](mailto:ffrancis@aoba-metro.org)

Susan Stevens Miller, Esquire  
Earthjustice  
1001 G Street, N.W., Suite 1000  
Washington, D.C. 20001  
[smiller@earthjustice.org](mailto:smiller@earthjustice.org)

Erin Murphy, Esq.  
Environmental Defense Fund  
1875 Connecticut Ave., N.W. Suite 600  
Washington, D.C. 20009  
[emurphy@edf.org](mailto:emurphy@edf.org)

Cathy-Thurston-Seignious, Esq.  
Washington Gas Light Company  
1000 Maine Avenue, S.W., Suite 700  
Washington, D.C. 20024  
[cthurston-seignious@washgas.com](mailto:cthurston-seignious@washgas.com)  
Edward Yim

Hussain Karim, Esq.  
Department of Energy and Environment  
1200 First Street, N.E., 5<sup>th</sup> Floor  
Washington D.C. 20002  
[edward.yim@dc.gov](mailto:edward.yim@dc.gov)  
[hussain.karim@dc.gov](mailto:hussain.karim@dc.gov)

Kristi Singleton  
U.S. General Services Administration  
1800 F Street NW #2016  
Washington DC, 20405  
[kristi.singleton@gsa.gov](mailto:kristi.singleton@gsa.gov)

Michael Converse  
U.S. General Services Administration  
1800 F Street NW #2012  
Washington DC, 20405  
[michael.converse@gsa.gov](mailto:michael.converse@gsa.gov)

Lariza Sepulveda  
U.S. General Services Administration  
1800 F Street, NW, Room 5122  
Washington, DC 20405  
[Lariza.Sepulveda@gsa.gov](mailto:Lariza.Sepulveda@gsa.gov)

Dennis Goins  
Potomac Management Group  
5801 Westchester St.  
Alexandria, Virginia 22310  
[dgoinspmg@verizon.net](mailto:dgoinspmg@verizon.net)

Brian J. Petruska,  
LIUNA Mid-Atlantic Region  
11951 Freedom Drive, Suite 310  
Reston, VA 20190  
[bpetruska@maliuna.org](mailto:bpetruska@maliuna.org)

/s/Timothy R. Oberleiton  
Timothy R. Oberleiton  
Assistant People's Counsel