

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE ATTORNEY GENERAL

KARL A. RACINE  
ATTORNEY GENERAL



Public Interest Division  
Public Integrity Section

*E-Docketed*

April 8, 2019

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

**Re: Formal Case No. 1137 – In the Matter of the Application of Washington Gas Light Company for Authority to Increase Existing Rates and Charges for Gas Service.**

Dear Ms. Westbrook-Sedgwick:

Enclosed, please find the District of Columbia Government's Opposition to Washington Gas Light Company's Motion to Extend the Multi-Family Piping Program. If you have any questions regarding this filing, please contact the undersigned.

Sincerely,

KARL A. RACINE  
Attorney General

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cc: Service List

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

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**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. 1137**

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**DISTRICT OF COLUMBIA GOVERNMENT’S OPPOSITION TO  
WASHINGTON GAS LIGHT COMPANY’S MOTION TO EXTEND THE  
MULTI-FAMILY PIPING PROGRAM**

Pursuant to 15 D.C.M.R. § 105.8 of the Public Service Commission of the District of Columbia’s (Commission) Rules of Practice and Procedure, the District of Columbia Government (DCG or the District), by and through its Office of the Attorney General, hereby submits this Opposition to Washington Gas Light Company’s (WGL or the Company) Motion to Extend the Multi-Family Piping Program (MPP) enrollment period from two years to five years.

**BACKGROUND**

WGL first proposed its MPP on February 26, 2016, as part of its application for a rate increase, which initiated the above-captioned proceeding. According to WGL, the purpose of the MPP was “to create more opportunities for the Company to provide gas service to multifamily units, and . . . to provide a calculated contribution per multifamily unit to be used

by builders/developers towards the initial cost of internal piping and venting for gas service to individually metered apartments and condominiums.”<sup>1</sup> The Commission approved the MPP, but only on a 2-year pilot basis.<sup>2</sup> The Commission further specified that review of the program, and a determination of whether the program should be extended, would occur during WGL’s next base rate case.<sup>3</sup>

Subsequently, on January 17, 2018, the Commission modified the MPP by extending it for two more years, but specified that the MPP should be split into two parts: (1) enrollment of new projects; and (2) data collection to evaluate the program based on 8 specified criteria.<sup>4</sup> As the Commission stated, “[t]he first two years would be used for enrolling projects into the MPP and the pilot would be extended for two additional years for data collection with no new enrollment in the MPP project during the data collection period” [emphasis added].<sup>5</sup> In so doing, the Commission stated that it was taking this step to address WGL’s concern that the amount of data collected after only two years would be insufficient to evaluate whether there had been any deviations in actual customer demand and usage from initial assumptions used to estimate the amount of WGL’s contribution to the pipe

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<sup>1</sup> F.C. 1137, WGL Application and Direct Testimony, at 6.

<sup>2</sup> Order No. 18712, at ¶ 446 (*rel.* March 3, 2017).

<sup>3</sup> Id.

<sup>4</sup> Order No. 19236, at ¶ 14 (*rel.* January 17, 2018).

<sup>5</sup> Id.

installation project.<sup>6</sup> WGL did not seek reconsideration of the Commission’s January 17, 2018 order.

On March 28, 2019, WGL submitted its instant Motion requesting that the Commission extend the enrollment period for the MPP from two years to five years. WGL states that to date, it has approved 20 MPP projects representing 1,521 meters.<sup>7</sup> However, WGL goes on to state that an additional 32 projects representing 7,075 meters are under discussion.<sup>8</sup> By expanding the enrollment period from two years to five, WGL asserts that the pool of available data will increase to capture these prospective projects and other future MPP projects “as well as offering more customers the opportunity to become gas customers.”<sup>9</sup>

Finally, WGL cites the other two jurisdictions in its service territory, Maryland and Virginia, which allow WGL to enroll customers in its MPP either indefinitely (in the case of Maryland), or for five years on a pilot basis (in the case of Virginia).<sup>10</sup> WGL asserts that if District of Columbia customers could enroll in the MPP for five years, it would allow WGL to “collect, analyze and compare data on a system-wide basis within similar timelines.”<sup>11</sup>

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<sup>6</sup> Id. at ¶ 15.

<sup>7</sup> WGL Motion, at 2.

<sup>8</sup> Id.

<sup>9</sup> Id.

<sup>10</sup> Id. at 3.

<sup>11</sup> Id. at 4.

## ARGUMENT

The District has consistently opposed adoption of the MPP. The District's primary reason is because the MPP is designed to lock into ratebase new investments in natural gas infrastructure at a time when achieving the District's environmental goals requires transitioning away from fossil fuel-based energy sources in favor of cleaner, more efficient energy sources.<sup>12</sup> Given the existence of cleaner energy options to natural gas, such as combined heat and power and rooftop solar, the District urged the Commission not to authorize programs to increase natural gas usage levels.<sup>13</sup> Yet that is the MPP's fundamental purpose: "offering more customers the opportunity to become gas customers"<sup>14</sup> through ratepayer-funded financial incentives.

Since the Commission authorized the MPP on a pilot basis, District energy laws and climate policies have evolved even further away from the MPP's purpose of promoting gas usage. Most notably, on March 22, 2019, the CleanEnergy DC Omnibus Amendment Act of 2018 (the Act) became effective. Significantly, the Act amends the Commission's charge when regulating and supervising utilities and energy companies. The Act states that, in addition to considering "the public safety, the economy of the District, [and] the conservation of natural resources", the Commission must now also consider "the preservation of environmental quality, *including effects on*

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<sup>12</sup> See DCG's Initial Post-Hearing Brief, at 10-12.

<sup>13</sup> *Id.* See also, DCG's Post-Hearing Reply Brief, at 6.

<sup>14</sup> WGL Motion, at 2.

*global climate change and the District's public climate commitments*

[italicized words indicate language added by the Act].<sup>15</sup>

Among other things, the Act amends the Renewable Energy Portfolio Standard Act of 2004 by increasing the percentage levels of tier one renewable energy sources year-over-year going forward until, by 2032, 100% of all electricity supplied must be obtained from tier one renewable energy sources.<sup>16</sup> The Act also contains a number of provisions aimed at reducing the amount of transportation emissions caused by gas-burning vehicles such as financial incentives to adopt electric vehicles.<sup>17</sup> As Councilmember Mary Cheh stated, “This legislation puts the District of Columbia at the forefront of the nation in responding to climate change and also directly aligns us with the Mayor’s even more aggressive goal of achieving carbon neutrality by 2050.”<sup>18</sup> The Act is also in keeping with the Mayor’s executive order binding the District to the provisions of the Paris Climate Accord.<sup>19</sup>

It is through the lens of the Act’s direction to the Commission to consider the effects of global climate change and the District’s public climate

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<sup>15</sup> D.C. Code § 34-808.02

<sup>16</sup> D.C. Code § 34-1432(c)(22)

<sup>17</sup> D.C. Code §§ 50-2201.03(j) & 50-921.01 *et. seq.*

<sup>18</sup> <http://www.marycheh.com/news/d-c-unveils-strongest-climate-bill-in-the-country/>

<sup>19</sup> Mayor’s Order 2017-142, June 4, 2017 (“Commitment: (A) The District of Columbia Government hereby commits to proportionally upholding the commitment made by the United States in the Paris Agreement to reduce greenhouse gas emissions between 26 and 28 percent by 2025 from 2005 levels, and further commits to reduce carbon emissions 50 percent by 2032 and 80 percent by 2050 below 2006 levels established in Washington, DC’s Sustainable DC plan. (B) The District of Columbia Government, led by the Department of Energy & Environment, shall implement the Clean Energy DC Plan, developed pursuant to the authority set out in D.C. Official Code § 8-171.04(e), and the Sustainable DC plan’s authority, embodied in Mayor’s Order 2013-209, dated November 5, 2013, and shall develop other plans as necessary, to achieve greenhouse gas reduction targets. (C) The District of Columbia Government shall implement and regularly update the Climate Ready DC plan, which sets out Washington, DC’s strategy to prepare for and adapt to the impacts of climate change. (D) In accordance with the Global Covenant of Mayors for Climate & Energy, the District of Columbia Government shall report citywide carbon emissions annually.”)

commitments in which the Commission should view WGL's MPP extension request.<sup>20</sup> Accordingly, maintaining, rather than expanding, the current two-year limit on the MPP's enrollment period (with an additional two years for data gathering) is the outcome that would be most consistent with the Act.

The arguments put forward by WGL to extend the MPP enrollment period to five years are unavailing. First, the 20 MPP projects already approved by WGL in the District of Columbia representing 1,521 new meters ought to provide sufficient data for WGL and the Commission to evaluate the benefits of the MPP. WGL's Motion fails to specify how or why data from 1,521 meters would not provide sufficient data to evaluate the MPP, except to say that allowing future projects to go forward would both increase "the pool of available data to be collected and analyzed, as well as offering more customers the opportunity to become gas customers."<sup>21</sup> While these statements may be true, they do not amount to compelling reasons for expanding the MPP enrollment period.

WGL also argues that aligning the MPP enrollment period in the District of Columbia with the 5-year enrollment period allowed for in Maryland and Virginia would enable the Company "to collect, analyze and

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<sup>20</sup> See, also, Formal Case No. 1142, *In the Matter of the Merger of AltaGas Ltd., and WGL Holdings, Inc.*, Direct Testimony of DCG Witness Asa Hopkins, DCG (C), at 8 ("Meeting the District's GHG emission goals will also require a reduction in the use of fossil fuel natural gas as a fuel in the District of Columbia. All the scenarios I modeled in which the District achieves its 2050 GHG goals have fossil gas sales falling more than 48 percent from 2015 levels or couple smaller reductions from 2015 levels with use of renewable natural gas.")

<sup>21</sup> WGL Motion, at 2.

compare data on a system-wide basis within similar timelines.”<sup>22</sup> But WGL fails to explain why it could not evaluate the benefits of the MPP from its system-wide data as a supplement to its evaluation of data from within the District of Columbia. The availability of a wider data pool undercuts WGL’s claimed need for expanding the MPP enrollment period in the District of Columbia.

Finally, the fact that Maryland and Virginia have authorized longer MPP enrollment periods is similarly unavailing. Each jurisdiction’s climate goals and commitments are unique, based on that jurisdiction’s own priorities. As discussed above, the District is at the forefront on implementing measures to address climate change. Whether neighboring jurisdictions have more or less ambitious climate goals is irrelevant. The District’s legislative and executive branches have spoken on the issue.

## CONCLUSION

WHEREFORE, for the reasons stated herein, the District respectfully requests that the Commission deny WGL’s Motion to Extend the MPP enrollment period from two years to five years.

Respectfully submitted,

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Attorney General for the District of  
Columbia

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<sup>22</sup> WGL Motion, at 4.



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April 8, 2019

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## CERTIFICATE OF SERVICE

I hereby certify that on this 8th day of April 2019, I caused true and correct copies of the District of Columbia Government's Opposition to Washington Gas Light Company's Motion to Extend the Multi-Family Piping Program to be emailed to the following:

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*/s/ Brian Caldwell*  
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