



Sandra Mattavous-Frye, Esq.
People's Counsel

April 8, 2019

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

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

Dear Ms. Westbrook-Sedgwick:

Please find enclosed for filing in the above-referenced proceeding the original and three copies of the *Response of the Office of the People's Counsel for the District of Columbia to Washington Gas Light Company's Motion to Extend the Multi-Family Piping Program*.

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

Sincerely,



Barbara L. Burton
Assistant People's Counsel

cc: All parties of record

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

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

**RESPONSE OF THE OFFICE OF THE PEOPLE’S COUNSEL FOR THE DISTRICT OF
COLUMBIA TO WASHINGTON GAS LIGHT COMPANY’S MOTION TO
EXTEND THE MULTI-FAMILY PIPING PROGRAM**

I. INTRODUCTION

Pursuant to Rule 105.9 of the Public Service Commission of the District of Columbia’s (“PSC” or “Commission”) Rules of Practice and Procedure,¹ the Office of the People’s Counsel for the District of Columbia (“OPC” or “Office”), the statutory representative of District of Columbia utility ratepayers and consumers,² hereby respectfully submits the *Response of the Office of the People’s Counsel for the District of Columbia to Washington Gas Light Company’s Motion to Extend the Multi-Family Piping Program*.

II. PROCEDURAL BACKGROUND

On January 17, 2018, the PSC issued Order No. 19236, wherein it adopted evaluation criteria for the four-year pilot program to assist the PSC’s assessment of it, extended the original pilot period from 2 to 4 years, and bifurcated the program into two distinct components—one for enrollment and the other data collection.³ The PSC believed “that splitting and extending the MPP pilot from two to four years will allow WGL an opportunity to develop projects, enroll

¹ 15 DCMR §105.9 (Lexis 2019).

² D.C. Code § 34-804 (Lexis 2019).

³ *Formal Case No. 1137*, Order No. 19236 ¶ 1, rel. January 17, 2018 (“Order No. 19236”).

customers, complete projects, collect and evaluate the data, and derive reasonable conclusions regarding the nine criteria.”⁴

On March 28, 2019, Washington Gas Light Company (“WGL” or “Company”) filed *Washington Gas Light Company’s Motion to Extend the Multi-Family Piping Program* (“WGL Motion”) in this proceeding. In it, the Company asked the PSC to extend the Multi-Family Piping Program (“MPP”) to five years.⁵

III. DISCUSSION

The MPP offers “incentives to developers and builders of multi-family buildings to install natural gas piping to help offset the required high upfront investment.”⁶ WGL has requested an extension of the MPP’s enrollment period to include prospective and other future projects “thereby allowing both an increase in the pool of available data to be collected and analyzed, as well as offering more customers the opportunity to become gas customers.”⁷

WGL proposes to extend the enrollment period for three additional years so that it “will have more time to finalize projects currently enrolled and those expected to be included in the MPP, as well as collect more data on the benefits of the program.”⁸

WGL offers as support for extending the District’s program the results achieved in its Maryland and Virginia MPP programs, both of which it claims benefitted from longer enrollment periods than its extant MPP. According to WGL, a longer enrollment period in Maryland

⁴ *Formal Case No. 1137*, Order No. 19236 ¶ 7.

⁵ *Formal Case No. 1137*, Washington Gas Light Company Motion to Extend the Multi-Family Piping Program, filed March 28, 2019 (“WGL Motion”).

⁶ *Formal Case No. 1137*, WGL Motion at p. 1.

⁷ *Formal Case No. 1137*, WGL Motion at p. 2.

⁸ *Formal Case No. 1137*, WGL Motion at p.3.

resulted in 2,408 new meters and an additional 1,567 in the construction pipeline. In Virginia, a longer enrollment period resulted in 934 new meters in Virginia, with an additional 1,200 meters in the pipeline. The Company further states that 2,221 meters in Maryland and 1,606 meters in Virginia are currently being evaluated for enrollment in the MPP.⁹

OPC has several concerns. First, the PSC stated that the MPP will be reviewed in the next rate case.¹⁰ While OPC does not object to the PSC granting WGL additional time; however, regardless of whether or not the PSC grants the Company's requested extension, the Commission should direct WGL to file another rate case by a date certain shortly after the pilot's terminus and the Company has received and analyzed all the MPP data. Pursuant to the Settlement Agreement approved in Formal Case No. 1115, the Company is required to file its next rate case by April 2020. However, at present, the MPP pilot is not scheduled to end until 2021. Consequently, WGL's 2020 rate case will not include the MPP pilot data that the Commission and interested parties need to assess the effectiveness of this program, and once it files its 2020 rate case, the Company is not presently required to file another one by any particular date. A review of the program costs, as reflected in the Company's first rate case submitted following the conclusion of the MPP, will be critically important to determining a host of things—such as, the pilot program's effectiveness and the degree to which it increased the billing determinants on WGL's system. As represented by the Company, increased billing determinants fostered by customer growth from the pilot should result in (i) lower rates and (ii) more customers with whom to spread PROJECTpipes costs.

⁹ *Formal Case No. 1137*, WGL Motion at p. 4.

¹⁰ *Formal Case No. 1137*, Order No. 18712 ¶446, rel. March 3, 2017 (“Order No. 18712”).

In addition, WGL plans to reflect the costs of the program in rate base; as a result, extending the MPP would potentially leave ratepayers on the hook for additional program costs. Furthermore, WGL's program is aimed at incentivizing the expansion of gas and gas heating in the District when the District government's policies are to electrify the city and become carbon neutral. WGL has made no showing that the program or extension of the program squares with the District's environmental policies. Moreover, if WGL is still enrolling MPP participants through the data collection period, then the Company will have little to no data on the parties that enrolled late.

IV. CONCLUSION

WHEREFORE, for the foregoing reasons, OPC requests the Commission adopt its recommendations herein.

Respectfully submitted,

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Dated: April 8, 2019

CERTIFICATE OF SERVICE

Formal Case No. 1137, In the Matter of Washington Gas Light Company's Application for Authority to Increase Existing Rates and Charges for Gas Service and to Revise Terms and Conditions Related to Gas Service in the District of Columbia

I certify that on April 8, 2019, a copy of the Response of the *Office of the People's Counsel for the District of Columbia to Washington Gas Light Company's Motion to Extend the Multi-Family Piping Program* was served on the following parties of record by hand delivery, first class mail, postage prepaid or electronic mail:

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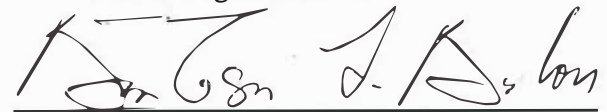
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