

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, OCTOBER 15, 2024

STATE CORPORATION COMMISSION
REGISTRATION AND COMPLIANCE CENTER

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APPLICATION OF

WASHINGTON GAS LIGHT COMPANY

CASE NO. PUR-2024-00146

For approval of the SAVE Rider
for calendar year 2025

ORDER FOR NOTICE AND COMMENT

On September 26, 2024, and in accordance with 5 VAC 5-20-80 of the State Corporation Commission's ("Commission") Rules of Practice and Procedure, Washington Gas Light Company ("WGL" or "Company") completed the filing of an application ("Revised Application") pursuant to § 56-603 *et seq.* of the Code of Virginia ("Code"), known as the Steps to Advance Virginia's Energy (SAVE) Plan Act, for approval of its SAVE Plan Rider for calendar year 2025 ("2025 SAVE Rider").¹ Pursuant to Code § 56-604 E, the Commission shall approve or deny, within 90 days, a natural gas utility's proposed SAVE rider adjustment.

According to WGL, the 2025 SAVE Rider consists of two factors computed for each customer class: (i) the Current Factor, which is based on expected program expenditures for calendar year 2025, and (ii) a Reconciliation Factor for the twelve-month period ended April 30, 2024, computed in accordance with § 56-604 E of the SAVE Act.² The Application states that the Company projects SAVE Plan expenditures of approximately \$108 million for calendar year 2025 for approved eligible infrastructure replacement programs.³ The Company further

¹ Revised Application at 1.

² *Id.*

³ *Id.* at 7.

represents that the proposed SAVE Plan investment for 2025 does not exceed 125% of the investment amount approved for calendar year 2025 in Case No. PUR-2021-00283.⁴

WGL proposes that the 2025 SAVE Rider rates become effective with the first day of the billing cycle in January 2025.⁵ WGL requests a Current Factor revenue requirement for approved calendar year 2025 eligible infrastructure replacement programs of \$30,208,973⁶ as well as a Reconciliation Factor revenue requirement credit of \$684,656,⁷ for a total 2025 SAVE Factor revenue requirement of \$29,524,317.⁸

As proposed by the Company, the 2025 SAVE Rider charge for a typical residential customer using 714 therms of gas annually is estimated at \$3.24 per month (\$0.0540 per therm for the Total Proposed SAVE Factor for January - December 2025), an increase of \$0.07 per month over the current 2024 SAVE Rider.⁹ This is based on a Current Factor charge of \$ 0.0554 per therm and a Reconciliation Factor of (\$ 0.0014) per therm, for a total combined SAVE Rider

⁴ *Id.* at 6.

⁵ *Id.* at 11 (citing *Application of Washington Gas Light Company, For approval to amend its SAVE Plan pursuant to §56-604 B of the Code of Virginia*, Case No. PUR-2021-00283, 2022 S.C.C. Ann. Rept. 428, Final Order (May 26, 2022)).

⁶ Direct Testimony of R. Andrew Lawson at Appendix A, revised Schedule 46a. According to WGL, this amount translates to the Current Factors for the 2025 SAVE Rider that are shown in Table 1 on Page 12 of the Revised Application. The Company states that the 2025 SAVE Rider reflects the roll-in of SAVE plant costs incurred on and after December 1, 2022, in accordance with Commission approval in WGL's most recent base rate case, Case No. PUR-2022-00054 (the effective date of interim rates in that proceeding was November 26, 2022). Revised Application at 8.

⁷ Direct Testimony of R. Andrew Lawson at Appendix A, revised Schedule 46a.

⁸ *Id.*

⁹ Revised Application at 1-2; *Id.* at Appendix A, Item 12.

rate of \$ 0.0540 per therm.¹⁰ WGL further states that the 2025 SAVE Rider for commercial customers will vary with individual customer load and usage.¹¹

Finally, as previously directed by the Commission,¹² the Company states it has evaluated its reconciliation methodology for computing the Reconciliation Factor. As explained by the Company, its Reconciliation Factor component compares "the actual SAVE Plan costs incurred with costs recovered through the SAVE Rider" over, in this case, the period from May 1, 2023 to April 30, 2024. The Reconciliation Factor for each customer class is either added to, or subtracted from, the Current Factor depending on whether there is an under or over collection of SAVE Plan costs for the SAVE Plan period.¹³ The Company has proposed an alternative methodology for the Commission's consideration.¹⁴ WGL, however, does not recommend the alternative reconciliation methodology, if approved by the Commission, be employed to compute the Reconciliation Factor for the 2025 SAVE Rider.¹⁵

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter should be docketed; that the Company should provide public notice of its Application; that any interested persons should be afforded an opportunity to file comments or request a hearing on the Company's Application; and that Commission Staff ("Staff") should investigate the Application and file a report ("Staff Report") containing Staff's findings and

¹⁰ *Id.* at 12.

¹¹ *Id.* at 2.

¹² See *Application of Washington Gas Light Company, For Approval of the SAVE Rider for calendar year 2024*, Case No. PUR-2023-00167, 2023 S.C.C. Ann. Rept. 520, Order Granting Approval (Dec. 19, 2023).

¹³ Revised Application at 10.

¹⁴ Revised Application at 11.

¹⁵ *Id.*

recommendations; and a Hearing Examiner should be assigned to conduct further proceedings in this matter related to discovery and other pre-hearing matters on behalf of the Commission.

To promote administrative efficiency and timely service of filings upon participants, the Commission will, among other things, direct the electronic filing of testimony and pleadings unless they contain confidential information, and require electronic service on parties to this proceeding.

Accordingly, IT IS ORDERED THAT:

(1) All pleadings, briefs or other documents required to be served in this matter shall be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"). Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. Any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.

(2) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice, the Commission directs that service on parties and the Staff in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, all parties and the Staff are instructed to work together to agree upon the manner in which documents containing such information shall be served upon one another, to the extent practicable, in an electronically protected manner, even if such information is unable to be filed in the Office of the Clerk, so that no party or the Staff is impeded from preparing its case.

(3) As provided by Code § 12.1-31 and 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Commission's Rules of Practice, a Hearing Examiner is appointed to rule on

any discovery matters and motions *pro hac vice* that arise during the course of this proceeding. A copy of each filing relating to discovery matters or motions *pro hac vice* made with the Office of the Clerk in this matter shall also be sent electronically to the Office of the Hearing Examiners.¹⁶

(4) An electronic copy of the Company's Application may be obtained by submitting a written request to counsel for the Company: Meera Ahamed, Washington Gas Light Company, 1000 Maine Avenue, SW, Suite 700, Washington, D.C. 20024 or mahamed@washgas.com. Interested persons also may download unofficial copies from the Commission's website: scc.virginia.gov/pages/Case-Information.

(5) On or before October 31, 2024, the Company shall cause a copy of the following notice to be published as display advertising (not classified) on one (1) occasion in newspapers of general circulation throughout the Company's service territory within the Commonwealth of Virginia:

NOTICE TO THE PUBLIC OF AN APPLICATION BY
WASHINGTON GAS LIGHT COMPANY
FOR APPROVAL OF THE 2025 SAVE RIDER
CASE NO. PUR-2024-00146

On September 26, 2024, and in accordance with 5 VAC 5-20-80 of the State Corporation Commission's ("Commission") Rules of Practice and Procedure, Washington Gas Light Company ("WGL" or "Company") completed the filing of an application ("Revised Application") pursuant to § 56-603 *et seq.* of the Code of Virginia ("Code"), known as the Steps to Advance Virginia's Energy (SAVE) Plan Act, for approval of its SAVE Plan Rider for calendar year 2025 ("2025 SAVE Rider"). Pursuant to Code § 56-604 E, the Commission shall approve or deny, within 90 days, a natural gas utility's proposed SAVE rider adjustment.

According to WGL, the 2025 SAVE Rider consists of two factors computed for each customer class: (i) the Current Factor,

¹⁶ Such electronic copies shall be sent to: OHEParalegals@scc.virginia.gov.

which is based on expected program expenditures for calendar year 2025, and (ii) a Reconciliation Factor for the twelve-month period ended April 30, 2024, computed in accordance with §56-604 E of the SAVE Act. The Application states that the Company projects SAVE Plan expenditures of approximately \$108 million for calendar year 2025 for approved eligible infrastructure replacement programs. The Company further represents that the proposed SAVE Plan investment for 2025 does not exceed 125% of the investment amount approved for calendar year 2025 in Case No. PUR-2021-00283.

WGL proposes that the 2025 SAVE Rider rates become effective with the first day of the billing cycle in January 2025. WGL requests a Current Factor revenue requirement for approved calendar year 2025 eligible infrastructure replacement programs of \$30,208,973 as well as a Reconciliation Factor revenue requirement credit of \$684,656; for a total 2025 SAVE Factor revenue requirement of \$29,524,317.

As proposed by the Company, the 2025 SAVE Rider charge for a typical residential customer using 714 therms of gas annually is estimated at \$3.24 per month (\$0.0540 per therm for the Total Proposed SAVE Factor for January - December 2025), an increase of \$0.07 per month over the current 2024 SAVE Rider. This is based on a Current Factor charge of \$ 0.0554 per therm and a Reconciliation Factor of (\$ 0.0014) per therm, for a total combined SAVE Rider rate of \$ 0.0540 per therm. WGL further states that the 2025 SAVE Rider for commercial customers will vary with individual customer load and usage.

Finally, as previously directed by the Commission, the Company states it has evaluated its reconciliation methodology for computing the Reconciliation Factor. As explained by the Company, its Reconciliation Factor component compares "the actual SAVE Plan costs incurred with costs recovered through the SAVE Rider" over, in this case, the period from May 1, 2023 to April 30, 2024. The Reconciliation Factor for each customer class is either added to, or subtracted from, the Current Factor depending on whether there is an under or over collection of SAVE Plan costs for the SAVE Plan period. The Company has proposed an alternative methodology for the Commission's consideration. WGL, however, does not recommend the alternative reconciliation methodology, if approved by the Commission, be employed to compute the Reconciliation Factor for the 2025 SAVE Rider.

The details of these and other proposals are set forth in the Company's Application. Interested persons are encouraged to review the Company's Application and supporting exhibits for the details of these proposals.

TAKE NOTICE that the Commission may adopt rates that differ from those appearing in the Company's Application and supporting documents and may apportion revenues among customer classes and/or design rates in a manner differing from that shown in the Application and supporting documents.

The Commission entered an Order for Notice and Comment that, among other things, directed the Company to provide notice to the public and provided interested persons an opportunity to comment on the Company's Application.

To promote administrative efficiency and timely service of filings upon participants, the Commission has directed the electronic filing of testimony and pleadings, unless they contain confidential information, and required electronic service on parties to this proceeding. In accordance therewith, all pleadings, briefs or other documents required to be served in this matter shall be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"). Confidential and Extraordinarily Sensitive Information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. Any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.

An electronic copy of the Application may be obtained, at no charge, by submitting a written request to counsel for the Company: Meera Ahamed, Washington Gas Light Company, 1000 Maine Avenue, SW, Suite 700, Washington, D.C. 20024 or mahamed@washgas.com. Interested persons may also download unofficial copies of the Application and other documents from the Commission's website: scc.virginia.gov/pages/Case-Information.

On or before November 14, 2024, any interested person may file comments on the Application by following the instructions on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the State

Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All such comments shall refer to Case No. PUR-2024-00146.

On or before November 14, 2024, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation with the Clerk of the Commission at: scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail to the Clerk of the Commission at the address listed above. Such notice of participation shall include the email addresses of such parties or their counsel. The respondent simultaneously, shall serve a copy of the notice of participation on counsel to the Company. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Rules of Practice and Procedure ("Rules of Practice"), any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2024-00146. For additional information about participation as a respondent, any person or entity should obtain a copy of the Commission's Order for Notice and Comment.

On or before November 14, 2024, any interested person or entity may file with the Clerk of the Commission at: scc.virginia.gov/clk/efiling, a request that the Commission convene a hearing on the Company's Application. Those unable, as a practical matter, to file electronically may file a request for hearing by U.S. mail to the Clerk of the Commission at the address listed above. Requests for a hearing shall include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. All filings shall refer to Case No. PUR-2024-00146.

A copy of any notices of participation and requests for hearing shall be sent to counsel for the Company.

The Company's Application and other documents filed in this case, the Commission's Rules of Practice and the Commission's Order for Notice and Comment may be viewed on

the Commission's website at: scc.virginia.gov/pages/Case-Information.

WASHINGTON GAS LIGHT COMPANY

(6) The Company shall serve each official listed in 20 VAC 5-205-10 J of the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-Owned Gas Utilities, 20 VAC 5-205-5 *et seq.*, in the manner provided therein.

(7) On or before November 14, 2024, WGL shall file proof of the service required by Ordering Paragraphs (5) and (6) with the Clerk of the Commission.

(8) On or before November 14, 2024, any interested person may submit comments on the Application by following the instructions on the Commission's website:

scc.virginia.gov/casecomments/Submit-Public-Comments. Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2024-00146.

(9) On or before November 14, 2024, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation with the Clerk of the Commission at: scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail to the Clerk of the Commission at the address above. Such notice of participation shall include the email addresses of such parties or their counsel, if available. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as

required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2024-00146.

(10) On or before November 14, 2024, any interested person or entity may file a request that the Commission convene a hearing on the Company's Application, with the Clerk of the Commission at: scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file electronically may file a request for hearing by U.S. mail to the Clerk of the Commission at the address above. Such request for hearing shall include the email addresses of such parties or their counsel, if available. Requests for hearing must include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. All such filings shall refer to Case No. PUR-2024-00146.

(11) A copy of each request for hearing and notice of participation shall be sent to counsel for the Company: Meera Ahamed, Washington Gas Light Company, 1000 Maine Avenue, SW, Suite 700, Washington, D.C. 20024 or mahamed@washgas.com.

(12) The Staff shall investigate the Application. On or before November 21, 2024, the Staff shall file with the Clerk of the Commission a Staff Report containing its findings and recommendations and promptly shall serve a copy of the Staff Report on counsel to the Company and any respondents.

(13) On or before December 3, 2024, WGL may file with the Clerk of the Commission any response to any requests for hearing, rebuttal to comments filed in this case, and to the Staff Report.

(14) Any documents filed in paper form with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, except as modified herein, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

(15) The Commission's Rule of Practice 5 VAC 5-20-260, *Interrogatories or requests for production of documents and things*, shall be modified for this proceeding as follows: responses and objections to written interrogatories and requests for production of documents shall be served within five (5) calendar days after receipt of the same. In addition to the service requirements of 5 VAC 5-20-260 of the Rules of Practice, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be served electronically on the party to whom the interrogatory or request for production is directed or the assigned Staff attorney, if the interrogatory or request for production is directed to the Staff.¹⁷ Except as modified herein, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq.*

(16) This matter is continued.

A COPY hereof shall be sent electronically by the Clerk of the Commission to all persons on the official Service List in this matter. The Service List is available from the Clerk of the Commission.

¹⁷ The assigned Staff attorney is identified on the Commission's website, scc.virginia.gov/pages/Case-Information, by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number PUR-2024-00146 in the appropriate box.