

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, OCTOBER 9, 2020

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APPLICATION OF

WASHINGTON GAS LIGHT COMPANY

CASE NO. PUR-2020-00171

For Approval of the SAVE Rider for
Calendar Year 2021

ORDER FOR NOTICE AND COMMENT

On September 21, 2020, and pursuant to § 56-604 E of the Code of Virginia ("Code"), Washington Gas Light Company ("WGL" or "Company") filed with the State Corporation Commission ("Commission") an Application for Approval of the SAVE Plan Rider for Calendar Year 2021 ("2021 SAVE Rider" or "Application") for approval of its annual adjustment of its Commission-approved Steps to Advance Virginia's Energy plan ("SAVE Plan"),¹ under which the Company's 2021 SAVE Rider is reconciled and adjusted.

The Company's SAVE Plan is designed to facilitate the accelerated replacement of SAVE-eligible natural gas infrastructure.² The 2021 SAVE Rider is designed to recover eligible infrastructure replacement costs associated with the SAVE Plan.³ WGL states that the calculation of the revenue requirement and rates associated with the 2021 SAVE Rider consist of two components: the "Current Factor" and the "Reconciliation Factor;" which were approved by

¹ *Application of Washington Gas Light Company, For Authority to amend its SAVE plan pursuant to Virginia Code § 56-604 B of the Code of Virginia*, Case No. PUR-2017-00102, 2017 S.C.C. Ann. Rept. 546, Order (Nov. 21, 2012) ("2017 SAVE Order").

² Application at 3-6.

³ *Id.* at 6.

the Commission in its 2017 SAVE Order.⁴ According to the Company, the "Current Factor" is based on SAVE Plan program expenditures projected for 2021 approved in Case No. PUR-2017-00102, and the "Reconciliation Factor" is computed in accordance with Code § 56-604 E, for the twelve-month period ended April 30, 2020.⁵

WGL projects, for calendar year 2021, approximately \$101,124,000 of SAVE Plan distribution replacement expenditures⁶ and approximately \$29,220,000 of SAVE Plan transmission replacement expenditures.⁷ WGL further states that the total proposed expenditure "does not exceed the 125% of the investment amount [previously] approved for calendar year 2021 in Case No. PUR-2017-00102."⁸ The Company states that, based on its projected SAVE Plan expenditures (January 1, 2021, to December 31, 2021), the eligible infrastructure replacement costs to be included in the SAVE Rider Current Factor, will be approximately \$26,121,000.⁹ An additional (\$452,305) from the SAVE Rider Reconciliation Factor reduces the overall 2021 SAVE Factor Revenue Requirement to \$25,669,027.¹⁰

WGL states that the "Reconciliation Factor" component of the 2021 SAVE Rider compares actual costs incurred and recovered over the period from May 1, 2019, to April 30, 2020, and that the Company expects an over-collection from the Residential customer

⁴ *Id.* at 1.

⁵ *Id.* at 1 and 6.

⁶ *Id.* at 6.

⁷ *Id.* at 7.

⁸ *Id.*

⁹ *Id.* at 8 and Appendix A – Items 4-6, Schedule 1.

¹⁰ *Id.* at Appendix A – Items 4-6, Schedule 1.

class and an under-collection from the Commercial and Industrial, Group Metered Apartments, and Interruptible customer classes.¹¹ To correct these over/under collections as well as provide funding for the 2021 SAVE Rider revenue requirement, WGL seeks approval to apply its combined 2021 SAVE Rider rates to meter readings beginning on the first day of January 2021 billing cycle, as a separate line item labeled "All Applicable Riders."¹² For the typical residential customer, the per therm 2021 SAVE Rider rate will be \$0.0438,¹³ or \$2.76 per month (based on residential customer usage of 756 therms of gas annually).¹⁴

NOW THE COMMISSION, having considered the Application and applicable law, is of the opinion and finds that this matter should be docketed; that WGL should provide public notice of its Application; that interested persons should be afforded an opportunity to file comments on the Company's Application and request a hearing; and that the Commission Staff ("Staff") should investigate the Application and file a report containing the Staff's findings and recommendations.

The Commission further takes judicial notice of the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state and federal levels.¹⁵ The Commission has taken certain actions, and may take

¹¹ *Id.* at 8-9.

¹² *Id.* at 9.

¹³ *Id.*

¹⁴ *Id.* at 1-2.

¹⁵ *See, e.g.*, Executive Order No. 51, Declaration of a State of Emergency Due to Novel Coronavirus, COVID-19, issued March 12, 2020, by Governor Ralph S. Northam. *See also* Executive Order No. 53, Temporary Restrictions on Restaurants, Recreational, Entertainment, Gatherings, Non-Essential Retail Businesses, and Closure of K-12 Schools Due to Novel Coronavirus (COVID-19), issued March 23, 2020, by Governor Ralph S. Northam, and Executive Order No. 55, Temporary Stay at Home Order Due to Novel Coronavirus (COVID-19), issued March 30, 2020, by Governor Ralph S. Northam. These and subsequent Executive Orders related to COVID-19 may be found at: <https://www.governor.virginia.gov/executive-actions/>.

additional actions going forward, that could impact the procedures in this proceeding.¹⁶

Consistent with these actions, in regard to the terms of the procedural framework established below, 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) WGL's Application is docketed as Case No. PUR-2020-00171.

(2) All pleadings, briefs, or other documents required to be served in this matter shall be submitted electronically to the extent authorized by Rule 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice").¹⁷

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. For the duration of the COVID-19 emergency, any person seeking to hand deliver and physically file or

¹⁶ See, e.g., *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Electronic Service of Commission Orders*, Case No. CLK-2020-00004, Doc. Con. Cen. No. 200330035, Order Concerning Electronic Service of Commission Orders (Mar. 19, 2020); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, Case No. CLK-2020-00005, Doc. Con. Cen. No. 200330042, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (Mar. 19, 2020) ("Revised Operating Procedures Order"); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, Case Nos. CLK-2020-00004 and CLK-2020-00005, Doc. Con. Cen. No. 200520101, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Electronic service among parties during COVID-19 emergency*, Case No. CLK-2020-00007, Doc. Con. Cen. No. 200410009, Order Requiring Electronic Service (Apr. 1, 2020).

¹⁷ 5 VAC 5-20-10 *et seq.*

submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.¹⁸

(3) 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, 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.

(4) As provided by § 12.1-31 of the Code and Rule 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 that arise during the course of this proceeding.

(5) On or before October 30, 2020, 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 ITS 2021 SAVE RIDER
CASE NO. PUR-2020-00171

On September 21, 2020, pursuant to § 56-604 E of the Code of Virginia ("Code"), Washington Gas Light Company ("WGL" or "Company") filed with the State Corporation Commission ("Commission") its annual adjustment application with respect to its Commission-approved Steps to Advance

¹⁸ As noted in the Commission's Revised Operating Procedures Order, submissions to the Commission's Clerk's Office via U.S. mail or commercial mail equivalents may not be processed for an indefinite period of time due to the COVID-19 emergency.

Virginia's Energy plan ("SAVE Plan"), under which WGL's SAVE Rider, designated 2021 SAVE Rider, is reconciled and adjusted ("Application").

The Company's SAVE Plan is designed to facilitate the accelerated replacement of SAVE-eligible natural gas infrastructure. The 2021 SAVE Rider is designed to recover eligible infrastructure replacement costs associated with the SAVE Plan. WGL states that the calculation of the revenue requirement and rates associated with the 2021 SAVE Rider consists of two components: the "Current Factor" and the "Reconciliation Factor," which were approved by the Commission in its 2017 SAVE Order, Case No. PUR-2017-00102. According to the Company, the "Current Factor" is based on SAVE Plan program expenditures projected for 2021 and approved in Case No. PUR-2017-00102, and the "Reconciliation Factor" is computed in accordance with Code § 56-604 E, for the twelve-month period ended April 30, 2020.

WGL projects for calendar year 2021 approximately \$101,124,000 of SAVE Plan distribution replacement expenditures and approximately \$29,220,000 of SAVE Plan transmission replacement expenditures. WGL further states that the total proposed expenditure "does not exceed the 125% of the investment amount [previously] approved for calendar year 2021 in Case No. PUR-2017-00102." The Company states that based on its projected SAVE Plan expenditures (January 1, 2021, to December 31, 2021), the eligible infrastructure replacement costs to be included in the SAVE Rider Current Factor will be approximately \$26,121,000. An additional (\$452,305) from the SAVE Rider Reconciliation Factor reduces the overall 2021 SAVE Factor Revenue Requirement to \$25,669,027.

WGL states that the "Reconciliation Factor" component of the 2021 SAVE Rider compares actual costs incurred and recovered over the period from May 1, 2019, to April 30, 2020, and that the Company expects an over-collection from the Residential customer class and an under-collection from the Commercial and Industrial ("C&I"), Group Metered Apartments ("GMA") and Interruptible customer classes. To correct these over/under collections as well as provide funding for the 2021 SAVE Rider revenue requirement, WGL seeks approval to apply its combined 2021 SAVE Rider rates to meter readings beginning on the first day of January 2021 billing cycle, as a separate line item labeled "All Applicable Riders." For the typical residential customer, the per therm 2021 SAVE Rider rate will be \$0.0438, or

\$2.76 per month (based on residential customer usage of 756 therms of gas annually). The 2021 SAVE Rider rate for WGL's other customer classes will be as follows: C&I will be \$0.0313; GMA will be \$0.0369; and Interruptible customers will be \$0.0087.

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.

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.

The Commission has taken judicial notice of the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state and federal levels. 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. For the duration of the COVID-19 emergency, 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.

Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice, the Commission has directed that service on parties and Staff in this matter shall be accomplished by electronic means. Please refer to the Commission's Order for Notice and Comment for further instructions concerning Confidential or Extraordinarily Sensitive Information.

Interested persons may download unofficial copies of the Application from the Commission's website: scc.virginia.gov/pages/Case-Information. Copies of these documents may be obtained at no charge by requesting a copy of the same from the Company's counsel, Meera Ahamed, Esquire, Washington Gas Light Company, 1000 Maine Ave., SW, Suite 700, Washington, D.C. 20024, mahamed@washgas.com.

On or before November 13, 2020, any interested person wishing to comment on the Company's Application may file written comments on the Application with the Clerk of the Commission by following the instructions on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. Compact discs or any other form of electronic storage medium may not be filed with the comments. All such comments shall refer to Case No. PUR-2020-00171.

Any person or entity may participate as a respondent in this proceeding by filing, on or before November 13, 2020, with the Clerk of the Commission at: scc.virginia.gov/clk/efiling/, a notice of participation in accordance with the Commission's Rules of Practice. Such notice of participation shall include the email addresses of such parties or their counsel. Pursuant to Rule 5 VAC 5-20-80, *Participation as a respondent*, of the Commission's 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 shall be represented by counsel as required by Rule 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2020-00171. 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 13, 2020, 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 Application. Requests for a hearing shall refer to Case No. PUR-2020-00171 and 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 such filings shall refer to Case No. PUR-2020-00171.

A copy of any notices of participation and requests for hearing simultaneously shall be sent to counsel for the Company electronically at the email address set forth above.

The Company's Application, the Commission's Rules of Practice, and the Commission's Order for Notice and Comment may be viewed at the Commission's website: scc.virginia.gov/pages/Case-Information.

WASHINGTON GAS LIGHT COMPANY

(6) On or before October 30, 2020, WGL shall serve a copy of this Order for Notice and Comment on the following officials, to the extent the position exists, in each county, city, and town in which the Company provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city and town; and the county, city, or town attorney. Service shall be made electronically where possible; if electronic service is not possible, service shall be made by either personal delivery or first-class mail to the customary place of business or residence of the person served.

(7) On or before November 20, 2020, WGL shall file proof of the service required by Ordering Paragraph (5) and (6) with the Clerk of the Commission.

(8) On or before November 13, 2020, any interested person or entity may file written comments on WGL's Application with the Clerk of the Commission by following the instructions on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. Compact disks or any other form of electronic storage medium may not be filed with the comments. All comments shall refer to Case No. PUR-2020-00171.

(9) On or before November 13, 2020, any interested person may participate as a respondent in this proceeding by filing, with the Clerk of the Commission at: scc.virginia.gov/clk/efiling/, a notice of participation in accordance with the Commission's Rules of Practice. Such notice of participation shall include the email addresses of such parties or their counsel. 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-2020-00171.

(10) On or before November 13, 2020, 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. 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-2020-00171.

(11) A copy of any requests for hearing and notices of participation simultaneously shall be sent to counsel for the Company, Meera Ahamed, Esquire, Washington Gas Light Company, 1000 Maine Ave., SW, Suite 700, Washington, D.C. 20024, or mahamed@washgas.com.

(12) The Staff shall investigate the Application. On or before November 20, 2020, the Staff shall file with the Clerk of the Commission a Staff Report containing its findings and recommendations and promptly shall serve a copy on counsel to the Company and all interested persons filing comments or requests for a hearing.

(13) On or before December 4, 2020, WGL may file with the Clerk of the Commission any response in rebuttal to the Staff Report, requests for hearing, and any comments filed by interested persons in this proceeding.

(14) All 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, 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 Company shall respond to written interrogatories or requests for the production of documents within four (4) calendar days after the receipt of the same. In addition to the service requirements of 5 VAC 5-20-260, *Interrogatories or requests for production of documents and things*, 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.¹⁹ Except as so modified, discovery shall be in accordance with Part IV of the Commission's Rules of Practice.

(16) This matter is continued generally pending further order of the Commission.

A COPY hereof shall be sent electronically by the Clerk of the Commission to:

Meera Ahamed, Esquire, Washington Gas Light Company, 1000 Maine Ave., SW, Suite 700, Washington, D.C. 20024, mahamed@washgas.com; and C. Meade Browder, Jr., Senior Assistant Attorney General, Division of Consumer Counsel, Office of the Attorney General, 202 N. 9th

¹⁹ The assigned Staff attorney is identified on the Commission's website, scc.virginia.gov/case, by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number, PUR-2020-00171, in the appropriate box.

Street, 8th Floor, Richmond, Virginia 23219, MBrowder@oag.state.va.us. A copy hereof also shall be delivered to the Commission's Office of General Counsel and Divisions of Public Utility Regulation and Utility Accounting and Finance.

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