

A Message for Our District
of Columbia Customers:

Notice ABOUT OUR RATES

MONTHLY EFFECTS OF PROPOSED INCREASE

If granted in full, the average monthly effects of the proposed increase on the average firm sales service customer, as specified in the “Type of Customer” categories below, will be:

Type of Customer	Annual Therm Usage	Average Monthly Increase	Percent Increase
RESIDENTIAL			
Heating/Cooling	811	\$ 7.94	9.6%
Non-Heating/Non-Cooling:			
Individually Metered — Apts.	64	\$ 1.80	16.0%
— Other	445	\$ 5.08	10.7%
COMMERCIAL & INDUSTRIAL			
Heating/Cooling: Small	2,346	\$13.71	6.0%
Large	17,865	\$48.78	3.0%
Non-Heating/Non-Cooling	5,680	\$ 8.64	1.7%
GROUP METERED APARTMENTS			
Heating/Cooling: Small	2,702	\$ 5.55	2.1%
Large	16,621	\$59.97	3.9%
Non-Heating/Non-Cooling	5,266	\$13.51	2.8%

TO REVIEW THE FILING:

You may review a copy of Washington Gas’ filing at the Public Service Commission, Office of the Commission Secretary, 1325 G Street, N.W., 8th Floor, Washington, DC 20005, Monday through Friday, from 9 a.m. to 5:30 p.m., or on the Commission’s website, www.dcpssc.org.



**Washington
Gas**

A WGL Company

washingtongas.com

Customer Service: 703-750-1000

Natural Gas Leaks/Emergencies: 911 or 703-750-1400

On February 26, 2016, **Washington Gas** filed an application with the Public Service Commission of the District of Columbia (“Commission”) requesting to increase the Company’s existing base rates for natural gas service in the District of Columbia. Washington Gas requests an increase in total weather-normalized annual revenues of no more than \$17.4 million, reflecting an overall increase of approximately 7.6 percent in revenues over and above current bills. The revenue increase includes \$4.5 million associated with natural gas system upgrades previously approved by the Commission and currently paid by customers through monthly surcharges.

The filing addresses rate relief necessary for Washington Gas to recover its costs and earn its allowed rate of return. The filing also satisfies a settlement agreement approved by the Commission in 2015, which provides for the recovery through a surcharge mechanism of costs related to an accelerated pipe replacement plan to upgrade the Washington Gas distribution system and enhance safety. This settlement required the Company to file a new rate proposal by August 2016.

If the Company’s application with the Commission is approved, the typical residential heating customer would see an approximate 9.6 percent gas bill increase or, on average, about \$7.94 per month. The exact increase depends on a customer’s actual usage and the rate schedule under which the customer receives service.

Washington Gas proposes the changes to its tariff be implemented in February 2017. Any increase resulting from the Company’s request must have the approval of the Commission.

In its application, Washington Gas proposes rate design innovations for the benefit of customers and the Company, including the following:

- Revenue Normalization Adjustment: Washington Gas has included a request to establish a revenue normalization adjustment (“RNA”) in its proposed rate structure. The proposed RNA would reduce fluctuations in customers’ bills resulting from extreme weather patterns. Washington Gas operates with similar normalization adjustments in its Maryland and Virginia service territories.
- Combined Heat and Power: Washington Gas has proposed a commercial framework for the delivery of natural gas for Combined Heat and Power (“CHP”) systems. Fueled by natural gas, highly efficient CHP systems capture vented heat during the power generation process and use this heat for space heating and cooling. CHP systems are up to 80 percent energy efficient and require less fuel to produce energy.
- Multifamily Development: Washington Gas has proposed an incentive program for developers of multifamily housing projects in the District of Columbia. These would bring the benefits of natural gas, including lower energy bills and reduced carbon emissions, to more residents in the District of Columbia.

COMPARISONS OF CURRENT AND PROPOSED CHARGES

Unless otherwise noted, the comparisons of current and proposed charges below apply to “firm customers,” which are those who receive continuous natural gas service, without interruption, except in the event of an emergency. The changes noted below do not affect the Purchased Gas Charge (“PGC”), a direct pass-through cost paid by Washington Gas sales service customers (those who purchase natural gas directly from Washington Gas).

The first key element of a firm customer’s bill is the **Customer Charge** which covers certain costs of providing customer service, such as maintenance and repair of customer gas lines, meter reading,

billing and other items. The current and proposed charges are:

Type of Customer	Current Monthly Customer Charge	Proposed Monthly Customer Charge
RESIDENTIAL		
Heating/Cooling	\$ 9.90	\$12.40
Non-Heating/Non-Cooling:		
Individually Metered — Apts.	\$ 5.30	\$ 6.60
— Other	\$ 6.30	\$ 7.90
COMMERCIAL & INDUSTRIAL AND GROUP METERED APARTMENTS		
Heating/Cooling: Small	\$ 17.10	\$ 21.40
Large	\$ 33.00	\$ 41.30
Non-Heating/Non-Cooling	\$ 14.00	\$ 17.50
INTERRUPTIBLE		
All Customers	\$ 80.00	\$100.00

The second element of a firm customer’s bill is the **Distribution Charge** per therm. It is the cost of delivering natural gas through Washington Gas’ pipeline system to the customer’s home or business and is based on the amount of natural gas the customer uses, stated in “therms” on the bill. The current and proposed charges are:

Type of Customer	Current Distribution Charge Per Therm	Proposed Distribution Charge Per Therm
RESIDENTIAL		
All gas used during the billing month		
Heating/Cooling:	\$ 0.4067	\$ 0.4873
Non-Heating/Non-Cooling	\$ 0.4434	\$ 0.5373
COMMERCIAL & INDUSTRIAL		
All gas used during the billing month		
Heating/Cooling: Small	\$ 0.3802	\$ 0.4246
Large	\$ 0.3802	\$ 0.4037
Non-Heating/Non-Cooling	\$ 0.3789	\$ 0.3873
GROUP METERED APARTMENTS		
Heating/Cooling: Small	\$ 0.3802	\$ 0.3819
Large	\$ 0.3802	\$ 0.4138
Non-Heating/Non-Cooling	\$ 0.3789	\$ 0.3989

For a non-residential firm customer, the third element of the bill is the **Peak Usage Charge**.

	Current	Proposed
Rate per therm of peak month usage from prior year	\$ 0.0272	\$0.0308