

NOTICE TO THE PUBLIC OF AN APPLICATION BY WASHINGTON GAS LIGHT COMPANY FOR APPROVAL OF A REVISION TO GENERAL SERVICE PROVISION NO. 14 OF THE COMPANY'S VIRGINIA TARIFF AND ASSOCIATED PILOT PROGRAM CASE NO. PUE-2015-00132

On December 9, 2015, Washington Gas Light Company ("WGL" or "Company") filed an application with the State Corporation Commission ("Commission") for approval to revise General Service Provision ("GSP") No. 14, Economic Evaluation of Facilities Extension, of the Company's Virginia tariff, Va. S.C.C. No. 9 ("Application"). In connection therewith, the Company proposes to implement a five-year Multifamily Piping Pilot Program ("Program"), under which the Company may provide a contribution payment, calculated on a project specific basis, to builders and developers to offset the initial installation costs of piping and venting for individually metered apartments or condominium units. The Company asserts that after the initial five years, if supported by the results of the Program, WGL will make the appropriate filing with the Commission to implement the program permanently.

The Company states that for purposes of customer requests for new gas service and the installation of additional facilities to supply new demand, GSP No. 14 describes the life cycle analysis that the Company uses to ensure that a new business proposal will prove economically viable over the life of the project. If this evaluation shows that the life cycle costs are greater than life cycle revenues, a customer contribution is required at a level necessary to equate life cycle costs and revenues. If, on the other hand, the evaluation shows that the life cycle revenues are greater than life cycle costs, this represents an economic benefit to the existing customer base and the facilities extension is permitted without a contribution.

The proposed revision to GSP No. 14 would allow WGL to make a project specific contribution payment to builders and developers to offset the initial costs of piping and venting for individually metered apartments or condominium units where a project evaluated under GSP No. 14 represents a positive economic benefit to existing customers. The proposed contribution amount is proposed to be the lesser of (i) 80 percent of the net economic benefit calculated through GSP No. 14, or (ii) the actual documented costs of internal piping and venting. WGL indicates that these limitations will ensure that the contribution payment will not be greater than the customer's actual costs and will be capped at an amount to ensure that existing customers will receive at least 20 percent of the excess economic benefit of the project. The Company states that the contribution payment will only be associated with the cost of piping and venting for the premises under consideration and will not be applied to costs associated with the procurement of natural gas appliances.

In support of the Application, WGL asserts that it serves approximately 98 percent of new single family and townhomes that are along its gas main. The Company further states that, in contrast, only approximately 14 percent of multifamily units in complexes constructed in 2015 in Virginia use individually metered gas due to the high upfront costs to install gas piping and facilities. WGL indicates that the Program will provide an option not previously available, because of the high up-front costs to builders and developers, for residents of multifamily buildings to receive individually metered gas service. WGL also states that increasing the number of natural gas customers allows the fixed costs of the utility to be spread across a larger base. In addition, the Company asserts that the proposed Program should bring online projects that provide a documented economic benefit to existing ratepayers.

For purposes of cost recovery, the Company proposes to amortize the cost of the contribution payments over 30 years, consistent with the time period over which projects are evaluated under GSP No. 14. The Company states that any amortization expense and associated carrying cost would be considered for inclusion in a future rate case.

The details of these and other proposals are set forth in the Company's Application. Interested persons are encouraged to review the Application and supporting testimony and 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 or request a hearing in this proceeding.

A copy of the Company's Application 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, 101 Constitution Avenue, NW, Washington, D.C. 20080. The Application and related public documents also shall be available for review in the Commission's Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays. Interested persons also may download unofficial copies from the Commission's website: <http://www.scc.virginia.gov/case>.

On or before March 16, 2016, any interested person may file with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, written comments on the Application. Any interested person desiring to submit comments electronically may do so on or before March 16, 2016, by following the instructions found on the Commission's website: <http://www.scc.virginia.gov/case>. Compact discs or any other form of electronic storage medium may not be filed with the comments. All comments shall refer to Case No. PUE-2015-00132.

On or before March 16, 2016, any person may participate as a respondent in this proceeding by filing a notice of participation. If not filed electronically, an original and fifteen (15) copies of the notice of participation shall be submitted to Joel H. Peck, Clerk, State Corporation Commission, at the address set forth above, and the respondent shall serve a copy of the notice of participation on counsel to the Company at the address set forth above. Pursuant to Rule 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's 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 shall 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. PUE-2015-00132.

On or before March 16, 2016, interested persons may request that the Commission convene a hearing on the Company's Application by filing a request for hearing with the Clerk of the Commission at the address set forth above. Requests for hearing must refer to Case No. PUE-2015-00132 and include: (i) a precise statement of the filing party's interest in this 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.

A copy of any written comments and requests for hearing shall simultaneously be sent to counsel for the Company at the address provided above.

The Commission's Rules of Practice may be viewed at <http://www.scc.virginia.gov/case>. A printed copy of the Commission's Rules of Practice and an official copy of the Commission's Order for Notice and Comment in this proceeding may be obtained from Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118.

WASHINGTON GAS LIGHT COMPANY

