

## **A Message to Our District of Columbia Customers: NOTICE ABOUT OUR RATES**

On January 13, 2020, **Washington Gas** filed an application with the Public Service Commission of the District of Columbia (“Commission”) requesting to increase the Company’s existing firm rates and charges for gas service in the District of Columbia. Washington Gas requests an increase in total weather-normalized annual revenues of no more than \$35.2 million, reflecting an overall increase of approximately 14.7% in revenues over and above current rates.

In its application, Washington Gas proposes a rate design innovation for the benefit of customers and the Company, as follows:

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.

This proposed revision better aligns customer rates with the Company’s cost of providing service.

The primary drivers of this rate increase request are the deficiency in the Company’s net operating income and the roll-in of costs from the Company’s accelerated pipe replacement plan (“PROJECT*pipes*”).

Since the time of the last change in base rates in Formal Case No. 1137, factors including rate base growth, general inflation, employee-related costs, increased costs related to the Company’s obligation to provide safe and reliable service, regulatory requirements and the transfer of amounts collected through the approved surcharge for PROJECT*pipes* to base rates have contributed to the rising costs that necessitate a request for a rate increase. The Company now requests authority to include those prudently-incurred costs in rates.

If the Company’s application with the Commission is approved, the increased cost to the average Washington Gas residential heating customer in the District of Columbia would be approximately \$12.86 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 January 1, 2021. Any increase resulting from

the Company's request must have the approval of the Commission.

**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
<b>RESIDENTIAL</b>		
Heating/Cooling	\$13.10	\$16.40
Non-Heating/Non-Cooling:		
Individually Metered Apts.	\$9.50	\$9.50
Other	\$10.70	\$13.40
<b>COMMERCIAL &amp; INDUSTRIAL AND GROUP METERED APARTMENTS</b>		
Heating/Cooling:		
Small	\$22.70	\$28.40
Large	\$55.80	\$69.80
Non-Heating/Non-Cooling	\$22.70	\$28.40
<b>INTERRUPTIBLE</b>		
All Customers	\$100	\$125.00

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
<b>RESIDENTIAL</b>		
All gas used during the billing month		
Heating/Cooling	\$0.3678	\$0.5296
Non-Heating/Non-Cooling	\$0.3663	\$0.6442
<b>COMMERCIAL &amp; INDUSTRIAL</b>		

All gas used during the billing month			
Heating/Cooling:			
Small	\$0.3459	\$0.4927	
Large	\$0.3511	\$0.4383	
Non-Heating/Non-Cooling	\$0.3498	\$0.4369	

**GROUP METERED APARTMENT:**

Heating and Cooling			
Small	\$0.3517	\$0.4361	
Large	\$0.3558	\$0.4438	
Non-Heating/Non-Cooling	\$0.3528	\$0.4404	

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	\$0.0308	\$0.0389

**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
<b>RESIDENTIAL</b>			
Heating/Cooling	709	\$12.86	16.7%
Non-Heating/Non-Cooling:			
Individually Metered Apts.	63	\$1.46	9.6%
Other	466	\$13.50	25.6%
<b>COMMERCIAL &amp; INDUSTRIAL</b>			
Heating/Cooling:			
Small	1,467	\$24.78	15.7%
Large	18,498	\$168.92	9.7%
Non-Heating/Non-Cooling	5,210	\$46.01	9.3%
<b>GROUP METERED APARTMENTS</b>			
Heating/Cooling:			
Small	1,360	\$16.17	11.0%
Large	16,706	\$154.35	9.7%
Non-Heating/Non-Cooling	4,794	\$43.28	9.4%

**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., 8<sup>th</sup> Floor, Washington, DC 20005, Monday through Friday, from 9a.m. to 5:30 p.m., or on the Commission's website, [www.dcpSC.org](http://www.dcpSC.org). You also may review a copy of the filing at the following public libraries located in the District of Columbia:

Martin Luther King Memorial Library  
901 G Street, NW

Mount Pleasant Library  
3160 16th Street, NW

Southwest Library  
900 Wesley Place, SW

Cleveland Park Library  
3310 Connecticut Avenue, NW

Petworth Library  
4200 Kansas Avenue, NW

Woodridge Library  
1801 Hamlin Street, NE

Southeast Library  
403 7<sup>th</sup> Street, SE

Capitol View Library  
5001 Central Avenue, SE

Washington-Highlands Library  
115 Atlantic Street, SW



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