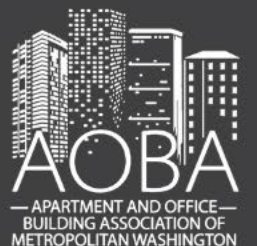


AOBA Utility Committee and Energy Market Update

April 25, 2024

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Agenda

- Pepco DC Formal Case No. 1176
- Pepco Maryland Case No. 9702
- Washington Gas Maryland Case No. 9704
 - Washington Gas STRIDE 3 Case No. 9708
- Washington Gas DC Formal Case No. 1169
 - Washington Gas ProjectPIPES 2 and 3, Formal Case Nos. 1154 and 1175
- DC Water Rates
- Building Energy Performance Standards

Pepco DC Rate Case Formal Case No. 1176

- Pepco filed an Application for its largest distribution revenue increase ever requested in the District of Columbia on **April 13, 2023**. Pepco requested a cumulative **\$190.7 million** dollar increase in its base distribution rates **over the next three years** (2024-2026).
- Pepco requests that its new **rates become effective February 15, 2024, increase again on January 1, 2025 and on January 1, 2026.**
 - Year 1 Increase (2024): \$116.4 million
 - Year 2 Increase (2025): \$ 36.9 million
 - Year 3 Increase (2026): \$ 37.3 million
- For comparison, in Pepco's last multi-year rate plan ("MYP") request, Formal Case No. 1156, the Commission approved increases were \$21.8 million in 2021, \$48.4 million in 2022, and \$38.4 million in 2023, for a total cumulative increase of **\$108.6 million**.

Pepco DC Rate Case Formal Case No. 1176

Sample Pepco DC Bill Impact (Year One 2024)					
	Current Distribution Charges	Proposed Distribution Charges		% Increase	Annual Impact \$\$\$
MGT_LV	\$ 197,503	\$ 240,843		21.9%	\$ 43,340
MGT_LV	\$ 204,055	\$ 248,814		21.9%	\$ 44,759
GT_LV	\$ 284,992	\$ 434,200		52.4%	\$ 149,209
GT_LV	\$ 260,656	\$ 396,524		52.1%	\$ 135,868
GT_LV	\$ 313,675	\$ 483,412		54.1%	\$ 169,736
GT_3A	\$ 325,786	\$ 439,986		35.1%	\$ 114,200
MMA	\$ 130,457	\$ 157,134		20.4%	\$ 26,677
* Includes only Pepco Customer Charge, Distribution and Demand Charges					
**Excludes all other Riders on Pepco Distribution bill					

Pepco DC Rate Case Formal Case No. 1176

- On October 16, 2023, the DC PSC ordered Pepco to file a revenue requirement based on a traditional test year at the request of AOBA, OPC and DC Government.
- This revenue requirement would be based on a partially forecasted test year, 6 months actual and 6 months forecasted in a defined 12-month period (Jan –Dec 2023) instead of a multi-year rate plan based on forecasts of planned capital expenditures through 2027.
- AOBA believes that a revenue requirement based on actual data will result in a more accurate and reasonable revenue requirement for Pepco.
- Pepco’s testimony stated that a **test year revenue requirement** should be **\$108.2 million** for the traditional test year.

Pepco DC Rate Case Formal Case No. 1176

AOBA's Testimony

- AOBA filed testimony January 12, 2024 of two expert witnesses from Revilo Hill Associates, Inc. AOBA's testimony stated the "Pilot" Multi-Year Rate Plan ("MYP") approved by the Commission in Formal Case No. 1156 has not served the best interest of District of Columbia ratepayers, and that Pepco's request for approval of a new (or second) MYP should be rejected. **AOBA urged the Commission to set rates based on a traditional test year ("TTY").**
- AOBA's testimony identifies major problems in the MYP process as it provides no effective incentives for Pepco to manage its expenditures in a manner that benefits District ratepayers. Pepco's management must be held accountable for improving the cost-effectiveness of the Company's operations and plant additions.
- **AOBA's testimony also addresses the issues regarding Pepco's Bill Stabilization Adjustment ("BSA") and urges the Commission to terminate the BSA for medium and large commercial customers.** Further, AOBA also urges the Commission to address issues relating to the BSA balances caused by COVID-19 policies. AOBA's witnesses testified that the large accumulated BSA balances are societal costs necessitated by COVID-19 governmental mandates and should be paid by all ratepayers, not only commercial and multi-family buildings.
- Pepco agreed with AOBA in its rebuttal testimony and stated that COVID-19 balances are societal costs and should be paid by all ratepayers.

Pepco DC Rate Case Formal Case No. 1176

AOBA's Testimony

- Further, AOBA's testimony states that Pepco's requests under both its MYP and Traditional Test Year ("TTY") filings are greatly overstated and require substantial downward adjustment, arguing that **Pepco's requested return on equity ("ROE") of 10.5%** far exceeds market-based return requirements. **AOBA's testimony finds a ROE of 9.1% appropriate.**
- AOBA's testimony submits that a test year revenue requirement should be no more than **\$66.7 million** and an appropriate revenue requirement for an MYP would be no more than **\$138.6 million, \$46.2 million per year** for the next three years.
- AOBA's testimony is supported by OPC and DC Government who also urged the Commission to adopt the traditional test year revenue requirement at a significantly reduced amount from what Pepco requested and if the PSC utilizes an MYP approach, to also significantly reduce Pepco's request.

Pepco DC Rate Case Formal Case No. 1176

AOBA's Testimony

- And, finally, AOBA presented testimony showing that Pepco's representation of its MYP as a "Climate Ready Pathway" is merely rhetoric and no substance.
- Pepco's forecasts of future service requirements include no assessment of the expected impacts of the District's efforts to move toward greater electrification of energy use. In the context of declining kWh and kW billing units, as well as only modest increases in the numbers of customers served, maintenance of the affordability of electric service in the District necessitates more rigorous efforts to trim Pepco's planned rate base growth to reflect only essential expenditures.
- AOBA's positions are supported by the Office of People's Counsel ("OPC") and the District of Columbia Government ("DCG").

Pepco DC Rate Case Formal Case No. 1176

Latest Motions & Additional Filings

- Pepco filed rebuttal testimony on March 11, 2024 and OPC, AOBA and the DC Government filed a **Motion to Dismiss or, in the Alternative, Motion for Summary Disposition** on March 12, 2024. Just prior to the submission of surrebuttal testimony and the start of hearings, the DC PSC “immediately suspended” the procedural schedule and advised the parties that the Commission would issue an order “on the procedural schedule and other future matters regarding this proceeding.”
- On April 1, 2024, the Commission issued Order No. 21976 scheduling dates for the submission of surrebuttal testimony and a settlement conference but did not set dates for hearings or final briefs. AOBA filed surrebuttal testimony on April 15, 2024, OPC and DC Government also filed surrebuttal testimony on April 22, 2024.
- We are awaiting further direction from the Commission regarding its decision on the outstanding Motion to Dismiss or, in the Alternative, Motion for Summary Disposition and for the Commission to set the remainder of the procedural schedule setting hearings and the dates for the submission of briefs. This proceeding is presently on hold.
- **The Commission has a policy of trying to issue decisions within three months of the filings of briefs, therefore AOBA anticipates a PSC decision could be issued by September 2024.**

Pepco Maryland Rate Case Case No. 9702

- Pepco filed an Application for its largest distribution revenue increase ever requested in Maryland on **May 16, 2023**.
- Pepco has requested a cumulative **\$193.2 million** increase in its base distribution revenue over the next three years (i.e., 2024-2026) to be effective **April 1, 2024**. Specifically, Pepco is proposing that rates increase as follows:
 - Year 1 Increase (2024): \$ 74.4 million
 - Year 2 Increase (2025): \$ 59.4 million
 - Year 3 Increase (2026): \$ 59.4 million
- Pepco has also included in its Application a proposal that would extend the three-year Multi-Year Plan request (“MYP”) through December 31, 2027 with an additional revenue increase of **\$213.6 million** for a nine-month extension period ending December 31, 2027
- For comparison, in Pepco’s last multi-year rate plan (“MYP”) request, Case No. 9655 , the Commission approved increases were \$20.6 million in 2021, \$16.3 million in 2022, and \$15.3 million in 2023, for a total cumulative increase of **\$52.2 million**.

Pepco Maryland Rate Case Case No. 9702

Sample Pepco MARYLAND Bill Impact (Year One 2024)				
	Current Distribution Charges	Proposed Distribution Charges	% Increase	Annual Impact \$\$\$
MGT_LV	\$ 70,062	\$ 81,471	16.3%	\$ 11,409
MGT_LV	\$ 55,639	\$ 64,948	16.7%	\$ 9,309
GT_LV	\$ 133,555	\$ 155,696	16.6%	\$ 22,141
* Includes only Pepco Customer Charge, Distribution and Demand Charges				
**Excludes all other Riders on Pepco Distribution bill				

Pepco MD Rate Case Case No. 9702

AOBA's Testimony

- As AOBA argued in the District, AOBA's testimony in Maryland also found that the "Pilot" Multi-Year Rate Plan ("MYP") approved by the Commission in Case No. 9655 has not served the best interest of ratepayers in Maryland, and that Pepco's request for approval of a second MYP should be rejected.
- AOBA urged the Commission to set rates based on a traditional test year ("TTY"). Further, AOBA consultants testified that Pepco's claims of benefits from its MYP do not translate into lower costs for Maryland ratepayers.
- AOBA's testimony indicated that Pepco's traditional test year revenue requirement for the 12 months ending March 31, 2025 of \$117.2 million, **should be reduced to \$43.4 million.**
- **AOBA later updated its revenue requirement recommendation for a TTY based on further developments in the record to approximately \$25.3 million.**

Pepco MD Rate Case Case No. 9702

AOBA's Testimony

- AOBA's witnesses stated that Pepco's request shows a major incongruence between the Company's forecasts of declining kWh and kW service requirements and limited customer growth and the magnitude of its planned capital expenditures.
- AOBA's witnesses also addressed the Company's excessive request for an increase in its Return on Equity from 9.55% to 10.50%. AOBA's witnesses believe that a more appropriate ROE should be 9.10%.
- AOBA's testimony also urged the Commission to decrease Pepco's capital expenditures and thus its revenue requirement substantially.

Pepco Maryland Rate Case Case No. 9702

- AOBA's testimony also addresses the issues regarding Pepco's Bill Stabilization Adjustment ("BSA") and urges the Commission to address issues relating to the BSA balances caused by COVID-19 policies.
- AOBA's witnesses testified, as they did in Pepco Formal Case No. 1176, that the large accumulated BSA balances are societal costs necessitated by COVID-19 governmental mandates and should be paid by all ratepayers, not just commercial and multi-family buildings.
- In the District, Pepco agreed with AOBA and stated that COVID-19 balances are societal costs and should be paid by all ratepayers. However, in Maryland, Pepco disagreed with that position stating that there was no precedent for such a determination.

Pepco Maryland Rate Case Case No. 9702

Procedural Next Steps

- Pepco, as well as AOBA and other parties filed rebuttal testimony on January 26, 2024.
- AOBA and other parties submitted surrebuttal testimony on February 23 and hearings were held March 7-14th. Briefs were submitted on April 8 and reply briefs submitted on April 22, 2024.
- Thereafter, a Commission decision will be issued, and **new rates will be effective as of April 1, 2024** although **increases will not appear on customers' bills until August 17, 2024**.
- Due to the multiple rate case applications currently before the Maryland Public Service Commission and the inability of the Maryland PSC Staff to address all of those filings simultaneously, the Commission Staff requested a 90-day rate case extension.

Pepco Maryland Rate Case Case No. 9702

Procedural Next Steps

- Pepco would only agree to such an extension if it was granted its full requested increase of \$74.4 million effective April 1, 2024. However, no increase would actually appear on customers' bills until August 17, 2024.
- **The result is that the full amount of Pepco's approved increase would be collected between August 17, 2024 and March 31, 2025, (Rate Year 1).**
- Rate Year 2 rates would increase by the PSC approved Rate Year 2 revenue increase on April 1, 2025 and the Rate Year 3 revenue increase on April 1, 2026, if the Commission approves a multi-year rate plan for Pepco.
- **A final Commission decision is anticipated by June 10, 2024.**

Washington Gas Maryland Rate Case Case No. 9704

- Washington Gas filed a rate increase application on **May 18, 2023**, a proposed **\$49,382,000 revenue increase (later revised to \$45.16 million)** to be effective **December 14, 2023**.
- **Included in the \$45.16 million revenue increase is a \$21.0 million request to transfer the Washington Gas Strategic Infrastructure Development and Enhancement Plan or “STRIDE” surcharges into base rates subject to Commission approval. (Case No. 9708).**
- Washington Gas is proposing approximately a **13% increase in distribution rates for commercial customers and approximately a 15% increase in distribution rates for Group Metered Apartments.**

Washington Gas Maryland Rate Case

Case No. 9704

- AOBA filed the expert testimony of two witnesses from Revilo Hill Associates, Inc. on August 25, 2023 stating that Washington Gas is not entitled to a Return on Equity over 9.55% or a Rate of Return over 6.97%.
- AOBA's witnesses also testified that the Washington Gas proposed Capital Structure is too heavily weighted with equity and the PSC should adopt AOBA's recommended capital structure of 50% total debt and 50% equity.
- Additionally, AOBA's witnesses testified that WG's high Unaccounted for Gas percentage costs its Maryland ratepayers an estimated \$12 million per year.
- AOBA's adjustment to WG's ROE and WG's capital structure would eliminate \$16.0 million of WG's \$45.16 million total revenue increase request, including the roll-in of Stride surcharges into base rates. AOBA's proposed adjustment for WG's large unaccounted for gas would eliminate an additional \$12.0 million per year. Those two adjustments coupled with other ratemaking adjustments, **results in AOBA recommending that Washington Gas receive no more than a \$10.61 million increase in rates, including the Stride roll-in.**
- AOBA's recommendation is consistent with the recommendation of the Maryland Public Service Commission Staff which is recommending an increase of \$8.81 million in rates and the Office of People's Counsel, which is recommending a slight decrease in rates. Hearings in this case concluded October 25, 2023 and briefs were filed November 17, 2023.
- Maryland law requires that utility base rate increase applications be considered and decided within 210 days from the date the Application is filed for a Historic Test Year rate case and decided within 10 months from the date an Application is filed for a multi-year rate case. **Therefore, Washington Gas rates will increase on and after December 14, 2023.**

Washington Gas Maryland Rate Case

Case No. 9704

- On December 14, 2023, the Maryland Commission issued its Order on Application to Increase Rates and Charges for Natural Gas Services, Order No. 90943 **approving a \$10,051,241 rate increase for Washington Gas** based on a ROE of 9.5%. The Commission rejected WGL's proposed increase in the Stride pipeline safety and replacement program surcharge and declined to move \$21.0 million as WGL has requested into base rates.
- After the Maryland Commission issued its Order No. 90943 approving a \$10,051,241 rate increase for WGL, [Maryland PSC Order December 14](#) the Company filed a Petition for Rehearing. Further Motions and Requests for Clarification were filed by the United States General Services Administration ("GSA") and the Commission Staff. AOBA, OPC, the Staff and the Chesapeake Climate Action Network ("CCAN") all filed Responses to the WGL Petition.
- In addition to its requested base rate increase, Washington Gas has also requested approval of a new Stride Plan and a new surcharge on June 16, 2023. (Case No. 9708).

[Case 9704 WG Maryland](#)

Washington Gas Maryland Rate Case

Case No. 9704

- On March 28, 2024, the Commission issued its decision and Order on Rehearing No. 91079 on the WGL Petition. The WGL Petition was denied, except in part, and the PSC slightly revised its authorized revenue requirement to an increase in WGL's base rates of **\$12,579,764** for service rendered on and after **December 14, 2023**. Washington Gas was ordered to file Compliance rates subject to acceptance by the Commission.
- However, since the Maryland Commission had not ruled on the various motions until March 28, 2024, and no Compliance Rates had been filed, WGL has been charging customers the rates that were in effect **prior to December 14, 2023**.
- After, the Commission approves the Washington Gas Compliance Rates based on the final revenue requirement, Washington Gas will implement the new rates and pass through any added revenue accrued from **December 14, 2023** until the date the Compliance Rates are approved through a **Revenue Normalization Adjustment ("RNA")**. The effect of that will be customers will pay a 12-month revenue requirement during the remainder of 2024.
- On April 10, 2024, Washington Gas filed its **Compliance Rates** with the Maryland PSC. These revised rates will be reviewed by the Commission at its **Administrative Hearing on May 1, 2024**.

Washington Gas Maryland Rate Case Case No. 9704

Washington Gas MD Case 9704					
Schedule C		Initial Filing Request		Final Compliance Filing	
Residential		Increase	% Increase	Increase	% Increase
	1 Heating & Cooling	\$ 33,231,000	13.6%	\$ 9,266,000	3.8%
	2 Non-Heating/Cooling	\$ 161,000	11.6%	\$ 42,000	3.0%
Commercial & Industrial					
	3 Heating & Cooling <3,005 therms	\$ 1,509,000	12.2%	\$ 371,000	3.0%
	4 Heating & Cooling >3,005 therms	\$ 9,165,000	13.8%	\$ 1,734,000	2.6%
	5 Non-Heating & Cooling	\$ -	0.0%	\$ 133,000	2.6%
Group Metered Apartments					
	6 Heating & Cooling	\$ 2,565,000	15.2%	\$ 492,000	2.9%
	7 Non-Heating & Cooling	\$ 354,000	14.4%	\$ 74,000	3.0%
Interruptible					
	8 Interruptible	\$ 2,087,000	8.9%	\$ 466,000	2.0%
Other Revenue					
	9 Late Payment Charges	\$ 310,000	3.8%	\$ -	0.0%
	Total	\$ 49,382,000	13.0%	\$ 12,578,000	3.3%

Washington Gas Maryland Rate Case Case No. 9704

Washington Gas MD Case 9704		
Initial Washington Gas Filing		
Heating & Cooling	Customer Charge (monthly)	Distribution Charge (per therm)
Residential	\$ 12.15	\$ 0.5236
Commercial & Industrial <3,000 therms annually	\$ 22.05	\$ 0.3293
Commercial & Industrial >3,000 therms annually	\$ 44.05	\$ 0.3493
Group Metered Apartments	\$ 57.25	\$ 0.3328
Interruptible (1st 75,000 therms)	\$ 139.85	\$ 0.1647
Interruptible (over 75,000 therms)	N/A	\$ 0.0958
Final Compliance rates effective December 2023		
Heating & Cooling	Customer Charge (monthly)	Distribution Charge (per therm)
Residential	\$ 11.85	\$ 0.4621
Commercial & Industrial <3,000 therms annually	\$ 21.50	\$ 0.2883
Commercial & Industrial >3,000 therms annually	\$ 43.00	\$ 0.3044
Group Metered Apartments	\$ 55.85	\$ 0.2901
Interruptible (1st 75,000 therms)	\$ 136.50	\$ 0.1446
Interruptible (over 75,000 therms)	N/A	\$ 0.0840
Savings from Initial Rate Increase Request		
Heating & Cooling	Customer Charge (monthly)	Distribution Charge (per therm)
Residential	-2.5%	-11.7%
Commercial & Industrial <3,000 therms annually	-2.5%	-12.5%
Commercial & Industrial >3,000 therms annually	-2.4%	-12.9%
Group Metered Apartments	-2.4%	-12.8%
Interruptible (1st 75,000 therms)	-2.4%	-12.2%
Interruptible (over 75,000 therms)	N/A	-12.3%

Washington Gas Maryland STRIDE III

Case No. 9708

- On December 20, 2023, the Maryland Public Service Commission approved WGL's proposed CY 2024 Stride-3 Project List and approved the following surcharges for calendar year 2024:

For January 1, 2024- December 31, 2024	Approved 2024 STRIDE Factor Per Month	Allocated Costs 2024
Residential Heating /Cooling	\$0.53	\$3,039,017
Residential Non-Heating/Non-Cooling	\$0.34	\$17,125
C&I Heating/Cooling < 3,000	\$0.77	\$157,540
C&I Heating/Cooling > 3,000	\$6.93	\$726,297
C&I Non-Heating/Non-Cooling	\$2.60	\$55,044
GMA Heating/Cooling	\$7.54	\$207,904
GMA Non-Heating/Non-Cooling	\$1.27	\$31,441
Interruptible	\$81.58	\$140,807
Total		\$4,375,175

Washington Gas DC Rate Case Formal Case No. 1169

- Washington Gas requested a **\$53.0 million** annual revenue increase on April 4, 2022, which represents an average increase in distribution service charges for firm service customers of **34.3%**.
- This is the largest single rate increase ever requested by Washington Gas in the District. If WG's proposals are approved as presented, many Commercial & Industrial, Group Metered Apartments, and Interruptible Service customers will see much larger increases in their total bills for natural gas.

Washington Gas DC Rate Case Formal Case No. 1169

- AOBA intervened in the case. AOBA challenged the amount of the Washington Gas requested increase and the distribution of the request among rate classes.
- During the course of the proceeding over the last 21 months, AOBA has filed hundreds of data requests and requests for documents and submitted testimony challenging the amount of the Washington Gas request, as well as the distribution of any approved increase among customer classes.
- **AOBA also challenged two new surcharges as unnecessary and harmful to ratepayers.** Washington Gas is proposing two new purportedly climate-related surcharges, a **Climate Progress Adjustment (“CPA”)** which is intended to compensate for fluctuations in its gas revenues due to unpredictable fluctuations in gas use and a **Climate Action Recovery Tariff (“CART”)** to recover costs associated with the Company’s efforts to support the District of Columbia’s climate goals.

Washington Gas DC Rate Case Formal Case No. 1169

Commission decision

- The DC PSC issued its final Opinion and Order No. 21939 on December 22, 2023 granting WGL a rate increase of **\$24.6 million in overall revenue, which includes moving \$4.7 million** from the Projectpipes surcharge into base rates.
- **The Commission rejected WGL's two proposed surcharges, the CPA and CART.** Commissioner Beverly issued a strong dissent to Order No. 21939, agreeing with AOBA, that the decision was premature in that WGL did not file all of the information necessary to support its rate increase request.
- Washington Gas has appealed the PSC decision on one issue and AOBA has also appealed the PSC decision based on Commissioner Beverly's dissent.

Washington Gas DC Rate Case Formal Case No. 1169

Commission decision

- On February 22, 2024 the PSC denied both Applications for Reconsideration. However, based on AOBA's position and testimony in the case, the **PSC ordered that WGL must file an Affiliate Class Cost of Service Study 75 days before the Company files its next base rate case.**
- WGL submitted its revised Compliance Filing FC 1169 on January 9, 2024. **New gas rates became effective January 19, 2024**, 22 months after the Washington Gas rate request was filed.
- The Commission's decision granted WGL increases between 19-29% for Commercial & Industrial and Group Metered Apartment customers, with an overall increase of 19% which is a decrease from the 35-52% that Washington Gas originally requested.

Washington Gas DC Rate Case Formal Case No. 1169

Commission decision

What does the Commission decision mean to your property?

WG originally requested between 32-52% increases for C&I and GMA customers, with an overall increase of 34%.

Initial Filing

The Commission's decision granted WG increases between 19-29% for C&I and GMA customers, with an overall increase of 19%.

Compliance Filing FC 1169

Washington Gas DC Rate Case Formal Case No. 1169

Washington Gas FC1169					
Schedule C		Initial Filing Request		Final Compliance Filing	
Residential		Increase	% Increase	Increase	% Increase
	1 Heating & Cooling	\$ 26,963,000	34.9%	\$ 12,526,804	18.9%
	2 Non-Heating/Cooling- IMA	\$ 769,000	39.7%	\$ 345,244	18.9%
	3 Non-Heating/Cooling- Other	\$ 826,000	53.0%	\$ 388,429	29.0%
Commercial & Industrial					
	4 Heating & Cooling <3,075 therms	\$ 2,253,000	52.4%	\$ 1,067,664	29.0%
	5 Heating & Cooling >3,075 therms	\$ 11,919,000	31.4%	\$ 5,521,134	18.9%
	6 Non-Heating & Cooling	\$ 343,000	35.8%	\$ 774,971	18.9%
	7 Combined Heat & Power	\$ 1,703,000	32.0%	\$ 157,774	29.0%
Group Metered Apartments					
	8 Heating & Cooling <3,075 therms	\$ 243,000	33.5%	\$ 112,479	18.9%
	9 Heating & Cooling >3,075 therms	\$ 5,803,000	31.9%	\$ 2,713,556	18.9%
	10 Non-Heating & Cooling	\$ 839,000	32.0%	\$ 384,643	18.9%
Interruptible					
	11 Interruptible	\$ 44,000		\$ 1,486,197	19.1%
	Total	\$ 51,705,000		\$ 25,478,895	

Washington Gas DC Rate Case Formal Case No. 1169

Washington Gas FC1169			
Initial Washington Gas Filing			
Heating & Cooling	Customer Charge (monthly)	Distribution Charge (per therm)	Peak Usage Charge (Nov-Apr)
Residential	\$ 18.80	\$ 0.6971	N/A
Commercial & Industrial <3,075 therms annually	\$ 36.75	\$ 0.7582	\$ 0.0677
Commercial & Industrial >3,075 therms annually	\$ 79.65	\$ 0.5769	\$ 0.0507
Group Metered Apartments <3,075 therms annually	\$ 32.40	\$ 0.6014	\$ 0.0526
Group Metered Apartments >3,075 therms annually	\$ 79.65	\$ 0.5853	\$ 0.0507
Interruptible (1st 75,000 therms)	\$ 137.00	\$ 0.2846	N/A
Interruptible (over 75,000 therms)	N/A	\$ 0.2774	N/A
Final Compliance rates effective January 2024			
Heating & Cooling	Customer Charge (monthly)	Distribution Charge (per therm)	Peak Usage Charge (Nov-Apr)
Residential	\$ 16.55	\$ 0.5638	N/A
Commercial & Industrial <3,075 therms annually	\$ 29.90	\$ 0.5821	\$ 0.0519
Commercial & Industrial >3,075 therms annually	\$ 70.05	\$ 0.4792	\$ 0.0421
Group Metered Apartments <3,075 therms annually	\$ 28.50	\$ 0.4930	\$ 0.0413
Group Metered Apartments >3,075 therms annually	\$ 70.05	\$ 0.4863	\$ 0.0422
Interruptible (1st 75,000 therms)	\$ 121.00	\$ 0.2094	N/A
Interruptible (over 75,000 therms)	N/A	\$ 0.1932	N/A
Savings from Initial Rate Increase Request			
Heating & Cooling	Customer Charge (monthly)	Distribution Charge (per therm)	Peak Usage Charge (Nov-Apr)
Residential	-12.0%	-19.1%	
Commercial & Industrial <3,075 therms annually	-18.6%	-23.2%	-23.3%
Commercial & Industrial >3,075 therms annually	-12.1%	-16.9%	-17.0%
Group Metered Apartments <3,075 therms annually	-12.0%	-18.0%	-21.5%
Group Metered Apartments >3,075 therms annually	-12.1%	-16.9%	-16.8%
Interruptible (1st 75,000 therms)	-11.7%	-26.4%	
Interruptible (over 75,000 therms)		-30.4%	

Washington Gas DC ProjectPIPES 2 and 3 Formal Case Nos. 1154 & 1175

- On March 11, 2024, Washington Gas filed its annual ProjectPIPES charge to be charged to rate payers for the period from April 2024 to February 2025.

Washington Gas Project PIPES 2 & 3	April 24	February 25	
Customer Class	\$\$ To Be Collected		\$/therm
Residential	\$	4,494,149	\$0.0562
Commercial & Industrial	\$	2,590,271	\$0.0391
Group Metered Apartments	\$	1,170,620	\$0.0390
Interruptible	\$	663,066	\$0.0390
Total	\$	8,918,106	

DC Water Rates

- Proposed rate changes for fiscal year 2025 and fiscal year 2026, beginning October 1, 2024 and October 1, 2025, respectively.
- DC Water's Board of Directors will hold its annual public hearing on the proposed rate changes on May 9, 2024, at the District of Columbia Water and Sewer Authority Headquarters to hear testimony from customers and presentation on Independent Review of Proposed FY 2025 and FY 2026 Rates by an Independent Rate Consultant.
- DC Water states that a typical residential customer will see an increase of 4.8% in FY25 and then an additional 6.5% in FY 26

[Proposed Rates FY25 and FY26](#)

[Rate Comparison Tool](#)

District of Columbia BEPS

- The DC Council recently **passed emergency legislation** to extend the deadline for submitting the Building Energy Performance Standards Program's (BEPS) third-party benchmarking data and verification for Cycle 1 from April 1 to July 1, 2024.
- AOBA led the effort to move the measure, which was carried across the finish line by Mayor Muriel Bowser and Transportation and Environment (T&E) Committee Chairman Charles Allen. Chairman Allen announced during his official remarks that the T&E committee intends to consider permanent legislation reflecting the entirety of the BEPS Task Force's Recommendations. This announcement is also reflected within the resolution explaining the need for this extension. The full [task force recommendations](#) can be found here.
- The bill's passage is part of an ongoing effort by AOBA's Government Affairs team to get the BEPS Task Force recommendations introduced, considered, and passed by the Council. The Council's vote represents an important step towards this goal. **Legislation is pending that would extend the District's CY2023 Benchmarking and Third-Party Data Verification deadlines from April 1, 2024 to July 1, 2024. To reduce uncertainty for building owners, DOEE is providing a grace period for submission of benchmarking reports and third-party verification until July 1, 2024. This grace period will apply whether or not the legislation is enacted and will only apply to this year's deadline.**

Maryland BEPS

- The Maryland General Assembly approved the State's \$63 billion budget. In response to AOBA and other industry representative testimony, State lawmakers passed a budget amendment dealing with State Building Energy Performance Standards. The budget amendment requires the Maryland Department of the Environment (MDE) to do the following:
 - Recalculate building energy efficiency targets based on actual building benchmarking data;
 - Create special provisions that account for building age, regional differences, occupancy types, and unique energy systems; and
 - Consider alternatives to site energy use intensity (EUI) targets and economic feasibility of meeting site EUI, including costs and alternative compliance fees.
- Given that MDE cannot amend already promulgated regulations, this budget amendment effectively requires the department to go back to the drawing board and **begin the BEPS process over again**. Covered buildings also do not have to begin reporting benchmarking data to the State until 2025, so the amendment also likely delays the final target standards until 2026.
- However, **this does not impact Montgomery County's own BEPS plans** which the County intends to have in place in Montgomery County soon. The County Council has extended its consideration of the proposed BEPS regulations until September 30, 2024.

Montgomery County BEPS

- **Benchmarking Deadline is June 1, 2024 for multi-family residential buildings with gross square footage area between 25,000 feet and 250,000 square feet.** This is the first year that multi-family residential buildings of this size need to report their building's energy usage. Larger multi-family buildings (>250,000 square feet) began reporting in June 2023 for CY 2022 data. Beginning in 2024, all buildings in Montgomery County with gross floor area of greater than 25,000 will need to submit their benchmarking data by June 1st annually.
- Members who have questions about meeting the deadline are encouraged to reach out directly to the Montgomery County Department of Environmental Protection ("DEP") at energy@montgomerycountymd.gov
- The regulations do allow for some exemptions if the building is less than 25,000 gross square feet. For benchmarking purposes, a "building" is any single structure utilized or intended for supporting or sheltering any occupancy, except if a single structure contains two or more individually metered units operating independently that have stand-alone heating, cooling, hot water, and other mechanical systems, and no shared interior common areas. Your building may be exempt if it contains individually owned or leased spaces where: This Covered Buildings Guide may help you determine if your building meets the definition of a building.
 - each space is less than 25,000 gross square feet, and
 - each space does not share and is not connected by any interior space (even hallways), and
 - each space has its own energy systems (like HVAC and hot water heating) and there are no shared energy systems between spaces, and
 - each space has separate energy utility meters.

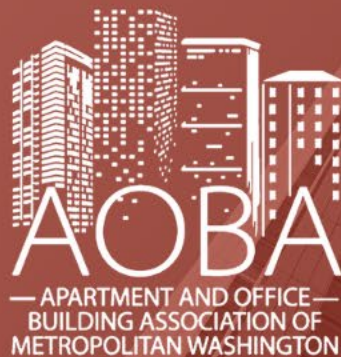
Montgomery County BEPS

Additionally, a waiver can be applied for in the cases where the property:

- Is in financial distress, defined as the building is subject of a tax lien sale or public auction due to property tax arrearages; is controlled by a court appointed receiver; or was recently acquired by a deed in lieu of foreclosure;
 - On average, less than one full-time-equivalent employee occupied the building during the calendar year being reported;
 - The covered building is newly constructed and has received its certificate of use and occupancy during the calendar year for which benchmarking is required; or
 - The covered building was demolished or received its demolition permit during the calendar year for which benchmarking is required
- Waivers are valid for one year. Building owners must submit a Building Waiver Application to DEP no later than May 1 of each deadline year.

Montgomery County BEPS Timeline

Group	Building Coverage	Initial Benchmarking Period	First Benchmarking Deadline	Baseline Years for BEPS	BEPS Interim Target	BEPS Final Target
County	County-owned buildings 50k+ gsf	2014	June 1, 2015	CY 2018- CY 2022	12/31/2028	12/31/2033
Group 1	Commercial buildings 250k+ gsf	2015	June 1, 2016	CY 2018- CY 2022	12/31/2028	12/31/2033
Group 2	Commercial buildings 50k – 250k gsf	2016	June 1, 2017	CY 2018- CY 2022	12/31/2028	12/31/2033
Group 3	Commercial & County-owned buildings 25k – 50k	2022	June 1, 2023	CY 2022- CY 2024	12/31/2030	12/31/2035
Group 4	Multifamily residential buildings 250k+ gsf	2022	June 1, 2023	CY 2022- CY 2024	12/31/2030	12/31/2035
Group 5	Multifamily residential buildings 25k – 250k gsf	2023	June 1, 2024	CY 2023- CY 2025	12/31/2031	12/31/2036



Questions?

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