



AOBA

Utility and Energy Market Update

District of Columbia, Maryland and Virginia

May 10, 2019

This publication is intended as an information source for members of the Apartment and Office Building Association of Metropolitan Washington ("AOBA") and participants in the AOBA Alliance, Inc. The content should not be construed as legal or other professional advice, and readers should not act upon information in this publication without professional advice. Copyright © 2019 AOBA. All rights reserved.

AOBA Utility & Energy Market Update

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MD 2019 General Assembly

Clean Energy Jobs

- On February 11, 2019, bills entitled Electric Industry – Clean Energy Jobs (House Bill 1158 (“HB1158”) and cross-filed Senate Bill 516 (“SB516”) were filed in both the House and the Senate.
- HB1158/SB516 would **increase Maryland’s Renewable Energy Portfolio Standard (RPS) from 25% by 2020 to 50% by 2030. These increases could mean higher energy supplier costs for end-users going forward.** The current and proposed annual RPS requirements are shown in the Exhibit below.
- The legislation must be presented to Governor Hogan before becoming law with three possible outcomes:
 - Governor Hogan signs the bill and “it shall take effect on October 1, 2019”
 - Governor Hogan chooses not to sign the bill and the bill “shall take effect on October 1, 2019”
 - Governor Hogan vetoes the bill – no change to RPS (please note that the veto can be overridden by the General Assembly)
- All electric supply contracts are considered “grandfathered” and not subject to the higher RPS requirements as of September 30, 2019. **Supply contracts entered after September 30, 2019 will be subject to the higher RPS requirements.**
- The potential impact of the new higher percentage of SRECs needed to meet compliance in the near term (2020 and 2022) is estimated to be between \$1.00-\$3.00 per mwh (\$0.00100/ kwh- \$0.00300 /kwh) at this time, assuming the SRECs remain priced at \$50/SREC.
- Additionally, this legislation includes an additional Off Shore Wind Renewable Energy Credit (OREC) obligation going forward that will also push electric supply prices higher. Additional review and analysis of the impact from the ORECs is needed at this time and AOBA will provide updates when completed.

MD General Assembly Clean Energy Jobs

Annual RPS

Current Law					
Year	Total	Tier 1	Tier 2	OffShore	
				Wind	Solar
2019	20.4%	16.0%	0.0%	2.5%	1.95%
2020	25.0%	20.0%	0.0%	2.5%	2.50%
2021	25.0%	20.0%	0.0%	2.5%	2.50%
2022	25.0%	20.0%	0.0%	2.5%	2.50%
2023	25.0%	20.0%	0.0%	2.5%	2.50%
2024	25.0%	20.0%	0.0%	2.5%	2.50%
2025	25.0%	20.0%	0.0%	2.5%	2.50%
2026	25.0%	20.0%	0.0%	2.5%	2.50%
2027	25.0%	20.0%	0.0%	2.5%	2.50%
2028	25.0%	20.0%	0.0%	2.5%	2.50%
2029	25.0%	20.0%	0.0%	2.5%	2.50%
2030	25.0%	20.0%	0.0%	2.5%	2.50%

New Legislation					
Year	Total	Tier 1	Tier 2	OffShore	
				Wind	Solar
2019	20.7%	10.2%	2.5%	2.5%	5.50%
2020	28.0%	17.0%	2.5%	2.5%	6.00%
2021	30.8%	20.8%	0.0%	2.5%	7.50%
2022	33.1%	22.1%	0.0%	2.5%	8.50%
2023	35.4%	23.4%	0.0%	2.5%	9.50%
2024	37.7%	24.7%	0.0%	2.5%	10.50%
2025	40.0%	26.0%	0.0%	2.5%	11.50%
2026	42.5%	27.5%	0.0%	2.5%	12.50%
2027	45.5%	29.5%	0.0%	2.5%	13.50%
2028	47.5%	30.5%	0.0%	2.5%	14.50%
2029	49.5%	32.5%	0.0%	2.5%	14.50%
2030	50.0%	33.0%	0.0%	2.5%	14.50%

Tier 1 renewables include solar, wind, biomass, anaerobic decomposition, geothermal, ocean, fuel cells powered through renewables, small hydro, poultry-litter incineration facilities, waste-to-energy facilities.

Tier 2 renewables include hydroelectric power other than pump-storage generation.

MD General Assembly Clean Energy Jobs

Customer Impact Solar RECs

Pepco MD customer

GT_LV

Annual usage 4,388,789 kwh

\$2.33/ mwh increase in supplier costs

\$0.0023/ kwh increase in supplier costs

Current RPS Standards						
	Annual usage in mwh	Solar RPS %	SRECs required	\$/SREC	\$\$\$	
2020	4,389	2.50%	109.72	\$ 50.00	\$	5,486
2021	4,389	2.50%	109.72	\$ 50.00	\$	5,486
2022	4,389	2.50%	109.72	\$ 50.00	\$	5,486
						\$ 16,458
MD Clean Energy Jobs Act						
	Annual usage in mwh	Solar RPS %	SRECs required	\$/SREC	\$\$\$	
2020	4,389	6.00%	263.33	\$ 50.00	\$	13,166
2021	4,389	7.50%	329.16	\$ 50.00	\$	16,458
2022	4,389	8.00%	351.10	\$ 50.00	\$	17,555
						\$ 47,179
\$ 30,721.52 increase in RPS costs (2020-2022)						
\$ 2.33 \$ increase / mwh						

There will also be an impact related to Offshore RECs that still needs to be evaluated
AOBA Alliance will keep members updated

MD 2019 General Assembly

Alternative Rate Plans

- On February 4, 2019, bills entitled Electric and Gas Companies – Rate Regulations – Alternative Rate Plans House Bill 653 (“HB653”) and cross-filed Senate Bill 572 (“SB572”) were filed in both the House and the Senate.
- **While HB653 passed the House of Delegates, this bill was not voted out of the Senate Finance Committee.**
- HB653/SB572 would have allowed a natural gas or electric company to use an alternative rate plan to establish new base rates in Maryland for recovery of costs incurred for serving customers. The Public Service Commission (“PSC”) would have been barred from using the traditional method of setting rates based on a test year when an alternative rate plan is proposed, thus limiting appropriate PSC review and the establishment of rates.
- AOBA opposed this amendment because
 - it is not needed; the Commission already has authority to consider alternative rate plans
 - the legislation ties the Commission’s hands by mandating the adoption of an alternative rate plan submitted by a utility, even if the Commission determines that a traditional base rate approach produces rates that better serve the public interest
- **The bills were a dramatic departure from traditional base rate regulation**, where revenue need of a utility is measured based on a historic test year of actual and known expenses. The bill would have tied the hands of the Public Service Commission in considering proposed future gas and electric rate increases.

MD 2019 General Assembly

Community Choice Aggregation

- On February 4, 2019, bills entitled **Electric Industry – Community Choice Aggregation** (House Bill 730 (“HB730”) and cross-filed Senate Bill 660 (“SB660”) were filed in both the House and the Senate.
- HB730/SB660 would have allowed a county or municipality to serve as an electric aggregator for the purpose of purchasing electric generation from an electric supplier or providing electricity from a generating facility owned by the county/municipality aggregator.
- **This legislation was sent to “Summer Study” and may re-appear in the Maryland 2020 legislative session.**
- The legislation also provides that all customers would have to affirmatively “opt-out” of joining the county/municipality aggregation. Absent an “opt-out”, all customers would automatically be enrolled in the county/municipality aggregation as a participant. All competitive suppliers would need to notify the county/municipality aggregator regarding the end of the contract term for every customer under contract at least 45 days prior to the end of the contract. There are no protections in this legislation for confidential, proprietary customer information and no prohibitions against the sale or use of this confidential information for other purposes.
- **AOBA, therefore, continues to conclude that non-residential energy customers, many of whom derive their energy supply from competitive energy suppliers under negotiated agreements, should be exempt from mandatory participation in county/municipality aggregation unless they choose to “opt-in”. This is true customer choice.**
- AOBA supports the position that energy customers who do not participate in this proposed county/municipality aggregation, bear no financial responsibility for the costs of operation, maintenance and the return of customers to Standard Offer Service.
- On March 5th, AOBA and several AOBA members testified against this bill in Annapolis, and AOBA supported the position that energy customers who do not participate in this proposed county/municipality aggregation, bear no financial responsibility for the costs of operation, maintenance and the return of customers to Standard Offer Service.



Pepco

District of Columbia

CleanEnergy D.C. Omnibus Amendment Act of 2018

District of Columbia:

- On January 18, 2019, Mayor Muriel Bowser signed the CleanEnergy D.C. Omnibus Amendment Act of 2018
- This law mandates that 100% clean energy supply for all customers in the District by 2032
- **The bill increased funding for local sustainability initiatives. The Sustainable Energy Trust Fund (“SETF”), increases the natural gas assessment from \$0.0150/ therm to \$0.03762/ therm, increases the electricity assessment from \$0.00162/ kwh to \$0.0029016/ kwh, and applies a new 8.4 cents per gallon assessment on sales of heating and fuel oil.**
- **[Link to DC Clean Energy Fiscal Impact Statement](#)**
- The bill also establishes a new building performance standard equal to or greater than DC’s median ENERGY STAR score for designated buildings. In addition, it provides pathways to achieve these new standards.
- The bill also impacts the Renewable Portfolio Standards (“RPS”) program with annual increases in clean energy supply including Solar which impact supply costs.
- **AOBA successfully lobbied to include a grandfathering provision for current electricity supply contracts that would extend the current RPS standards through December 31, 2021.**
 - *Please be advised that for 3 years after January 1, 2019, this subsection shall not apply to any contract entered into before the effective date of the Clean Energy DC Omnibus Amendment Act of 2018, as introduced on July 10, 2018 (Bill 22-904); provided, that subsection shall apply to an extension or renewal of such a contract.*
- Based on current market conditions, new contracts for electricity supply for 2019-2021 could see an estimated increase of \$2.00/ mwh (\$0.002/kwh) or more for customers in the near term, unless the building is under an existing contract prior to the effective date of the legislation.
- **On February 7, 2019 the bill was transmitted to Congress for Congressional Review and the effective law date is March 22, 2019.**

CleanEnergy D.C. Omnibus Amendment Act of 2018

Customer Impact

Pepco DC customer

GT_LV

Annual usage 4,388,789 kwh

\$2.24/ mwh increase in supplier costs

\$0.0024/ kwh increase in supplier costs

Old RPS Standards					
	Annual usage in mwh	Solar RPS %	SRECs required	\$/SREC	\$\$\$
2019	4,389	1.35%	59.25	\$ 395.00	\$ 23,403
2020	4,389	1.58%	69.34	\$ 380.00	\$ 26,350
2021	4,389	1.85%	81.19	\$ 380.00	\$ 30,853
					\$ 80,607
DC Clean Energy Bill New Standards					
	Annual usage in mwh	Solar RPS %	SRECs required	\$/SREC	\$\$\$
2019	4,389	1.85%	81.19	\$ 395.00	\$ 32,071
2020	4,389	2.18%	95.68	\$ 380.00	\$ 36,357
2021	4,389	2.50%	109.72	\$ 380.00	\$ 41,693
					\$ 110,121
\$ 29,515 increase in RPS costs (2019-2021)					
\$ 2.24 \$ increase / mwh					

CleanEnergy D.C. Omnibus Amendment Act of 2018

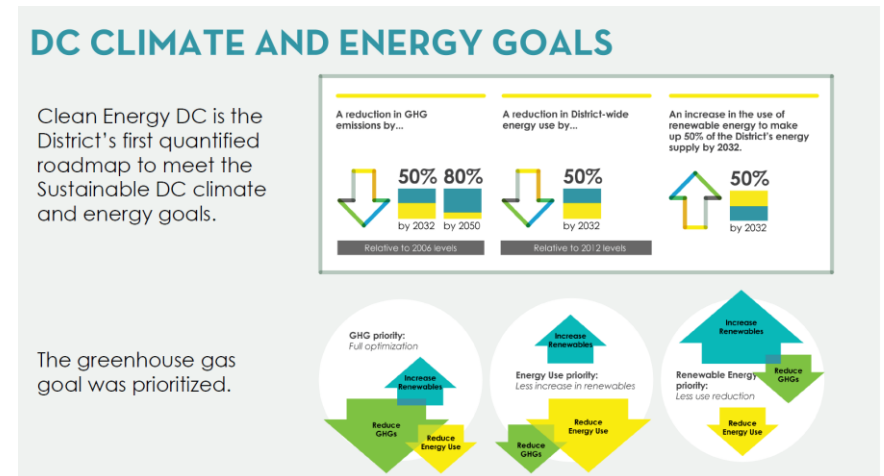
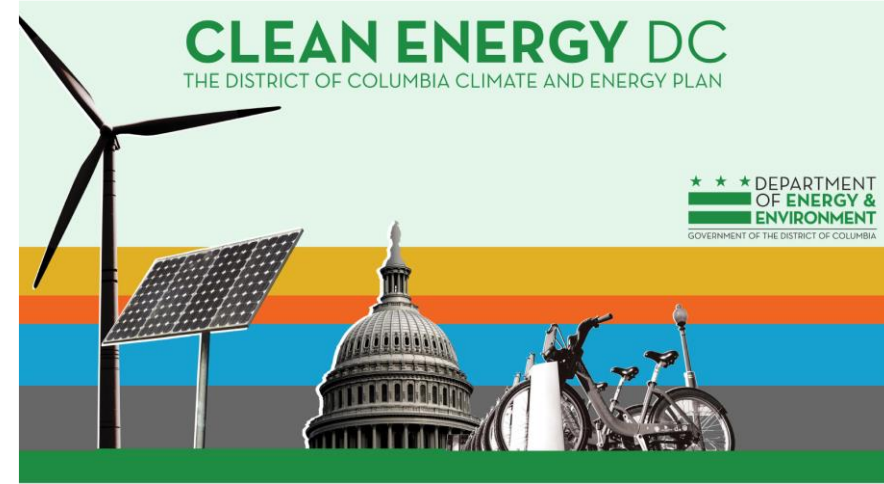
DC Annual RPS

Current Law				
Year	Total	Tier 1	Tier 2	Solar
2019	17.5%	15.7%	0.5%	1.35%
2020	20.0%	18.4%	0.0%	1.58%
2021	20.0%	18.2%	0.0%	1.85%
2022	20.0%	17.8%	0.0%	2.18%
2023	20.0%	17.5%	0.0%	2.50%
2024	23.0%	20.4%	0.0%	2.60%
2025	26.0%	23.2%	0.0%	2.85%
2026	29.0%	25.9%	0.0%	3.15%
2027	32.0%	28.6%	0.0%	3.45%
2028	35.0%	35.0%	0.0%	0.04%
2029	38.0%	33.9%	0.0%	4.10%
2030	42.0%	37.5%	0.0%	4.50%
2031	46.0%	41.3%	0.0%	4.75%
2032	50.0%	45.0%	0.0%	5.00%

New Legislation				
Year	Total	Tier 1	Tier 2	Solar
2019	17.5%	15.2%	0.5%	1.85%
2020	20.0%	17.8%	0.0%	2.18%
2021	26.3%	23.8%	0.0%	2.50%
2022	32.5%	29.9%	0.0%	2.60%
2023	38.8%	35.9%	0.0%	2.85%
2024	45.0%	41.9%	0.0%	3.15%
2025	52.0%	48.6%	0.0%	3.45%
2026	59.0%	55.3%	0.0%	3.75%
2027	66.0%	61.9%	0.0%	4.10%
2028	73.0%	68.5%	0.0%	4.50%
2029	80.0%	75.3%	0.0%	4.75%
2030	87.0%	82.0%	0.0%	5.00%
2031	94.0%	88.8%	0.0%	5.25%
2032	100.0%	94.5%	0.0%	5.50%

CleanEnergy D.C. Omnibus Amendment Act of 2018

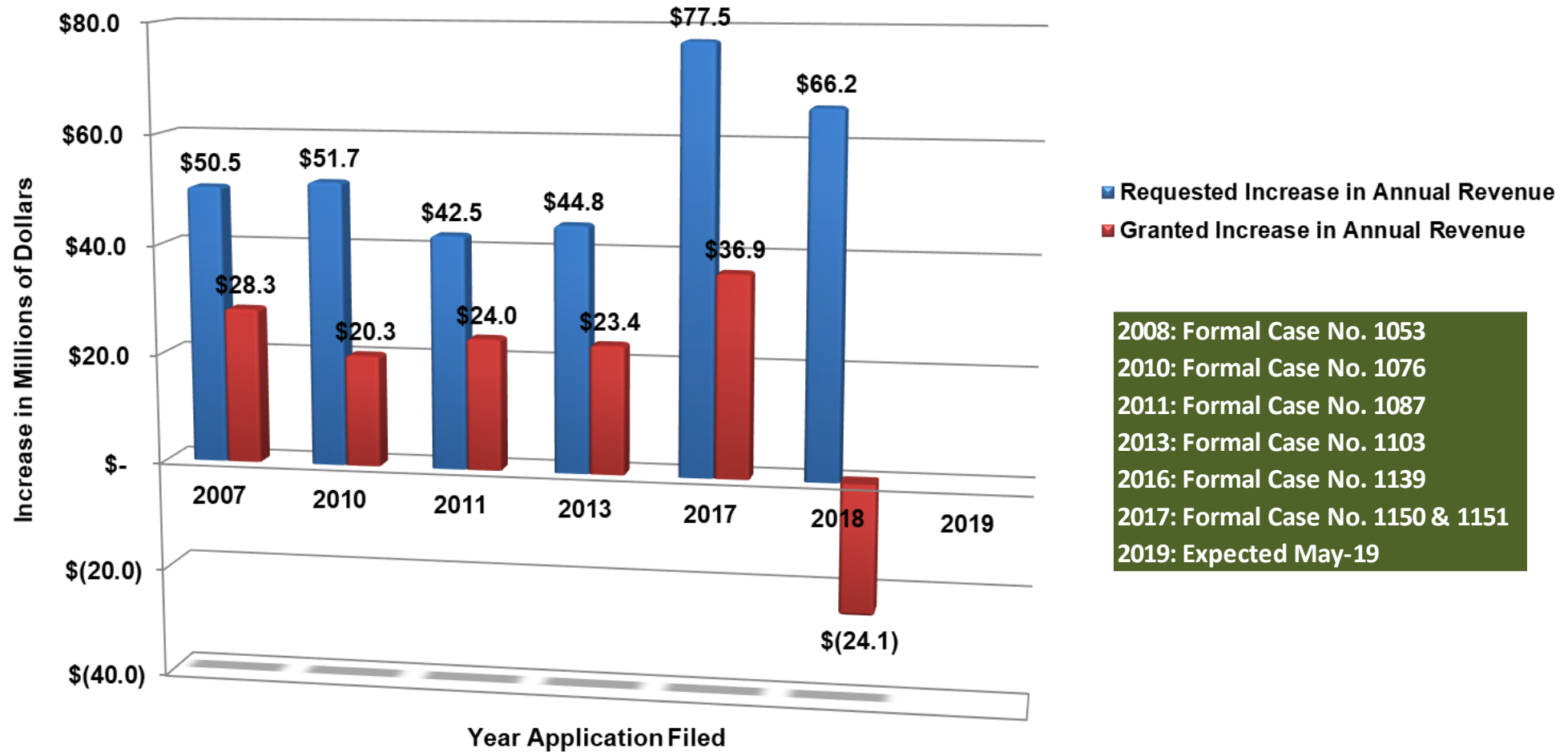
- Mandates **100 percent** of the electricity sold in the District come from renewable sources by **2032**.
 - Doubles the required amount of solar energy deployed in the District with **10 percent solar by 2041**.
- Makes significant improvements to the energy efficiency of existing buildings in the District by mandating **Building Energy Performance Standard (BEPS)**.
 - **DOEE** will assess private buildings to ensure energy efficiency every five years beginning in 2021.
 - By **2021**, all private buildings of at least **50,000 square feet** will need to be compliant with the standard or face a penalty and a timeline of five years to become compliant before receiving another penalty.
 - The square footage threshold for privately-owned buildings decreases to **25,000 in 2023** and **10,000 in 2026**.
- **Increases the Sustainable Energy Trust Fund (SETF)** to pay for energy efficiency programs.
 - The fund will put aside **\$3 million each year** to fund energy efficiency improvements in low-income, rent controlled housing buildings.
 - By 2025, \$70 million will be added to the DC Green Bank to fund clean energy projects in the city and foster new development.
- Requires all public transportation and **privately owned fleet vehicles** to become emissions-free by the year **2045**.



Pepco DC Rate Case Expected in May 2019

- **Pepco DC is expected to file a new rate case in May 2019**
 - **New rates could be effective by May 2020**
- **Reminder**
- Pepco DC's last rate case was settled and approved in August 2018 (Case Nos. 1150 and 1151)
- The Settlement Agreement, in most cases, provided for Pepco to reduce its distribution rates for its DC customers by \$24.1 million going forward as well as a one-time rate credit of at least \$19.25 million, partly due to the Tax Cut and Jobs Act of 2017.

Summary of Pepco Rate Increase Applications and Results District of Columbia



2008: Formal Case No. 1053
 2010: Formal Case No. 1076
 2011: Formal Case No. 1087
 2013: Formal Case No. 1103
 2016: Formal Case No. 1139
 2017: Formal Case No. 1150 & 1151
 2019: Expected May-19



Washington Gas Light Company District of Columbia

Washington Gas filed revised Pipe Replacement Plan in the District (Projectpipes2)

District of Columbia FC 1115 and 1154:

- On December 7, 2018, Washington Gas filed its revised plan for Accelerated Pipe Replacement in the District of Columbia, its Projectpipes 2 plan (PIPES 2 Plan)
- WG states that Projectpipes 2 is to address the deteriorating condition of natural gas piping in the District of Columbia and Washington Gas' effort to repair gas leaks on its system. The cost recovery for Washington Gas on these projects is recovered through a Projectpipes surcharge on customers' Washington Gas invoices on next slide.
- On March 22, 2019 AOBA filed comments with the D.C. Public Service Commission that called into question the effectiveness of the original pipe replacement plan and this new PIPES 2 plan going forward.
- AOBA noted that there has been a 169% increase in reported Grade 1 leaks from 2013 to 2018 which coincides with the original accelerated pipe replacement plan (FC-1115).
- AOBA's comments also note that Washington Gas is focusing on the wrong type of pipe replacements. Their focus should be on the riskiest mains which are the Cast Iron pipes, instead Washington Gas is focusing its PIPES2 plan more on Bare Steel and Vintage Mechanically Coupled mains. The cast iron mains represent the vast majority of risky mains in the District and should be the primary focus and priority replacement in the District.
- **In filing its comments, AOBA has asked the tough question of regulators and Washington Gas of how best to address the deteriorating situation in the District before \$300 million on infrastructure is spent in the District for pipe replacement.**

Washington Gas filed revised Pipe Replacement Plan in the District (Projectpipes2)

District of Columbia FC 1115 and 1154:

Project Pipes 1 Surcharge				
	<u>Residential</u>	<u>Commercial</u>	<u>Group Metered Apartments</u>	<u>Interruptible</u>
FY 2019	\$0.0385 per therm	\$0.0165 per therm	\$0.0163 per therm	\$0.0084 per therm
Project Pipes 2 Surcharge				
	<u>Residential</u>	<u>Commercial</u>	<u>Group Metered Apartments</u>	<u>Interruptible</u>
FY 2020 (proposed)	\$0.0666 per therm	\$0.0260 per therm	\$0.0280 per therm	\$0.0147 per therm



Pepco Maryland

Pepco Requests \$29.9 million Increase in Distribution Rates in Maryland

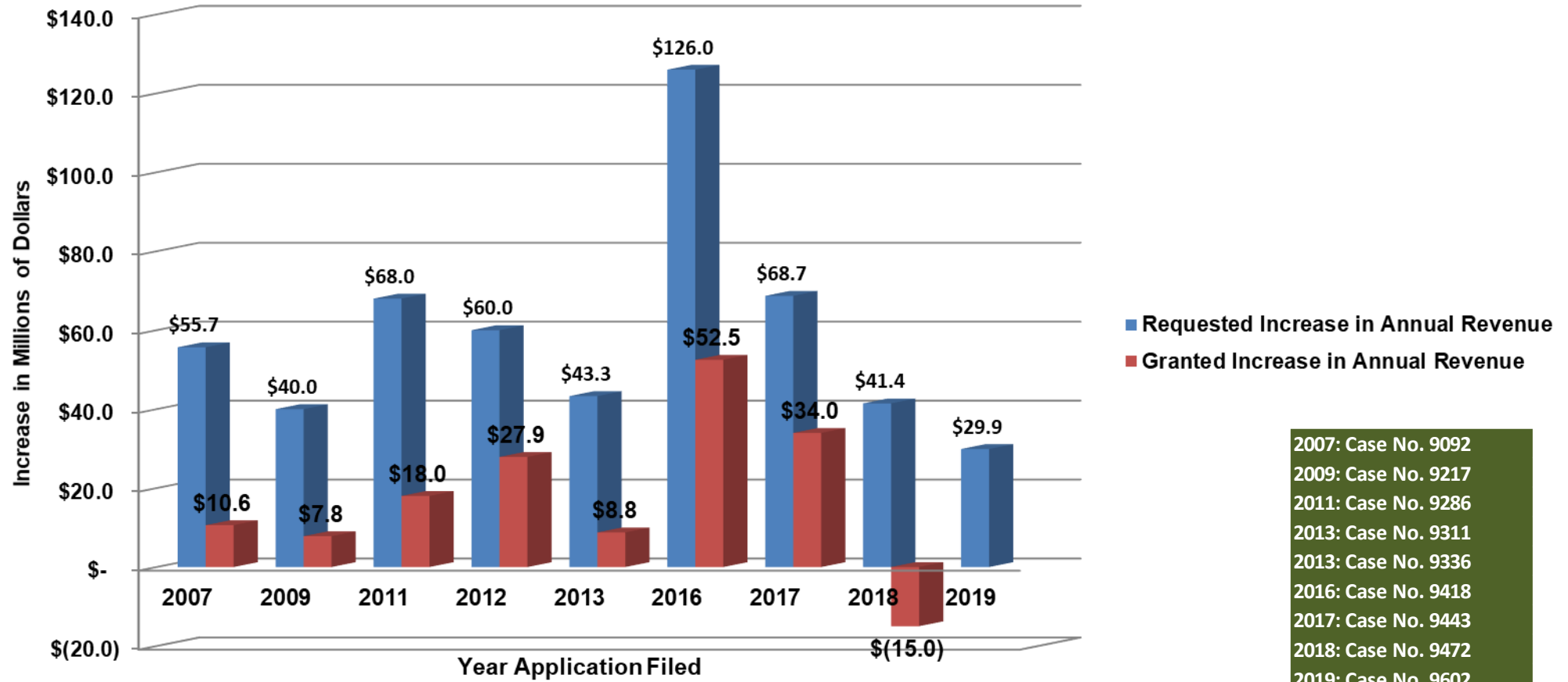
Maryland Case No. 9602:

- On January 15, 2019, Pepco filed its third request in three years for an increase in base distribution revenues of \$29,990,000, approximately a 7% increase in distribution revenues which was reduced to approximately \$27 million in the course of the proceeding (Case No. 9602).
- Pepco is also requesting an increase in its return on equity from 9.5% to 10.3%. Pepco's proposed increases by customer class in Maryland are shown in the chart on the next page and will be effective on August 13, 2019.
- AOBA has intervened in this case and filed testimony April 12, 2019.
- AOBA's testimony challenged Pepco's rate case on several points.
 - Pepco is seeking a return on equity (ROE) of 10.3% which AOBA believes is 85 basis points higher than is justified. AOBA's recommendation is an ROE of 9.45%
 - Pepco significantly overstated its distribution overtime expenses in its forecast. Pepco's actual overtime expenses have decreased from previous years, but Pepco uses the higher three-year average, artificially inflating costs.
 - Pepco charged \$19 million of overtime expense to its capital projects. These capital projects are characterized as plant additions that were necessary for safe and reliable service. AOBA believes that these costs unnecessarily inflate Pepco's costs and are not justified.
 - AOBA's recommendation is that Pepco increase its base rate revenue by no more than \$4.5 million.
- Hearings are scheduled to begin May 21, 2019 and we expect that new rates will be effective August 13, 2019. AOBA will provide more information as this case progresses.

Pepco Requests \$29.9 million Increase in Distribution Rates in Maryland

PEPCO MARYLAND (Case No. 9602)	
Rate Schedule	Proposed Increase to Distribution Rates
Residential	6.46%
RTM	5.76%
GS LV	5.76%
MGT LV	4.54%
MGT 3A	6.46%
GT LV	4.54%
GT 3B	0.00%
GT 3A	6.46%
TM RT	6.46%
SL	7.15%
SSL	6.46%
TN	0.00%

Summary of Pepco Rate Increase Applications and Results Maryland





Washington Gas Light Company Maryland

Washington Gas Requested a \$35.9 Million Increase in Maryland

Maryland Case No. 9605:

- **On April 22, 2019, WG filed its Application requesting a \$35.9 million increase, or 6.64%, in the Company's Maryland annual base rate revenues.**
- The proposed base rate increase includes \$5.1 million of cost that are currently being collected through surcharges associated with WG's STRIDE plan.
- The proposed rate increase includes \$5.1 million of costs that are currently collected under the STRIDE plan that will now be included in the base rates, resulting in an incremental increase of \$30.8 million or 5.75%.
 - **All monthly customer charges are proposed to increase by 5%**
 - **Proposed distribution rate block increases in chart on next page**
- This case was filed a mere three months after Washington Gas's last rate case in Maryland.
- **AOBA has intervened in this rate case proceeding and will keep members informed as the case progresses.**

Washington Gas Maryland

Proposed Rate Increase effective November 18, 2019

Maryland Case No. 9605

Customer Class		Present Rate	Proposed Rate	Increase Amount	Increase Percent
Residential Heating & Cooling	First 45 therms	\$ 0.4817	\$ 0.5150	\$ 0.0333	6.91%
Residential Heating & Cooling	Next 135 therms	\$ 0.3504	\$ 0.3785	\$ 0.0281	8.02%
Residential Heating & Cooling	Over 180 therms	\$ 0.2639	\$ 0.2904	\$ 0.0265	10.04%
Residential Non-Heating & Cooling	First 45 therms	\$ 0.4139	\$ 0.4817	\$ 0.0678	16.38%
Residential Non-Heating & Cooling	Next 135 therms	\$ 0.3007	\$ 0.3504	\$ 0.0497	16.53%
Residential Non-Heating & Cooling	Over 180 therms	\$ 0.2261	\$ 0.2639	\$ 0.0378	16.72%
C&I < 3000 therms	First 300 therms	\$ 0.4136	\$ 0.4728	\$ 0.0592	14.31%
C&I < 3000 therms	Next 6700 therms	\$ 0.2445	\$ 0.2794	\$ 0.0349	14.27%
C&I < 3000 therms	Over 7000 therms	\$ 0.1725	\$ 0.1972	\$ 0.0247	14.32%
C&I > 3000 therms	First 300 therms	\$ 0.4049	\$ 0.5054	\$ 0.1005	24.82%
C&I > 3000 therms	Next 6700 therms	\$ 0.2398	\$ 0.2984	\$ 0.0586	24.44%
C&I > 3000 therms	Over 7000 therms	\$ 0.1700	\$ 0.2121	\$ 0.0421	24.76%

Washington Gas Maryland

Proposed Rate Increase effective November 18, 2019

Maryland Case No. 9605

Customer Class		Present Rate	Proposed Rate	Increase Amount	Increase Percent
C&I Non-Heating & Cooling	First 300 therms	\$ 0.2925	\$ 0.3269	\$ 0.0344	11.76%
C&I Non-Heating & Cooling	Next 6700 therms	\$ 0.2002	\$ 0.2237	\$ 0.0235	11.74%
C&I Non-Heating & Cooling	Over 7000 therms	\$ 0.1471	\$ 0.1643	\$ 0.0172	11.69%
Group Metered Apartment Heating & Cooling	First 300 therms	\$ 0.3591	\$ 0.4009	\$ 0.0418	11.64%
Group Metered Apartment Heating & Cooling	Next 6700 therms	\$ 0.2489	\$ 0.2781	\$ 0.0292	11.73%
Group Metered Apartment Heating & Cooling	Over 7000 therms	\$ 0.1848	\$ 0.2061	\$ 0.0213	11.53%
Group Metered Apartment Non-Heating & Cooling	First 300 therms	\$ 0.2924	\$ 0.3291	\$ 0.0367	12.55%
Group Metered Apartment Non-Heating & Cooling	Next 6700 therms	\$ 0.2020	\$ 0.2274	\$ 0.0254	12.57%
Group Metered Apartment Non-Heating & Cooling	Over 7000 therms	\$ 0.1501	\$ 0.1686	\$ 0.0185	12.33%
Interruptible	First 75,000 therms	\$ 0.1132	\$ 0.1399	\$ 0.0267	23.59%
Interruptible	Ocer 75,000 Therms	\$ 0.0655	\$ 0.0809	\$ 0.0154	23.51%

Washington Gas Maryland

Rate Increase effective December 11, 2018

Maryland Case No. 9481 Recap:

- WG filed its Application requesting a \$56.3 million increase, or 10.9%, in the Company's Maryland annual base rate revenues on May 15, 2018.
- The proposed base rate increase included \$15 million of cost currently being collected through surcharges associated with WG's STRIDE plan.
- The PSC decision was issued December 11, 2018, and new rates were effective as of that date.
- **Even though this was the first base rate case that Washington Gas has filed in Maryland in approximately five years, the MD PSC denied 50% of the Washington Gas rate request and authorized a \$28.6 million increase in distribution rates.**

Washington Gas Maryland

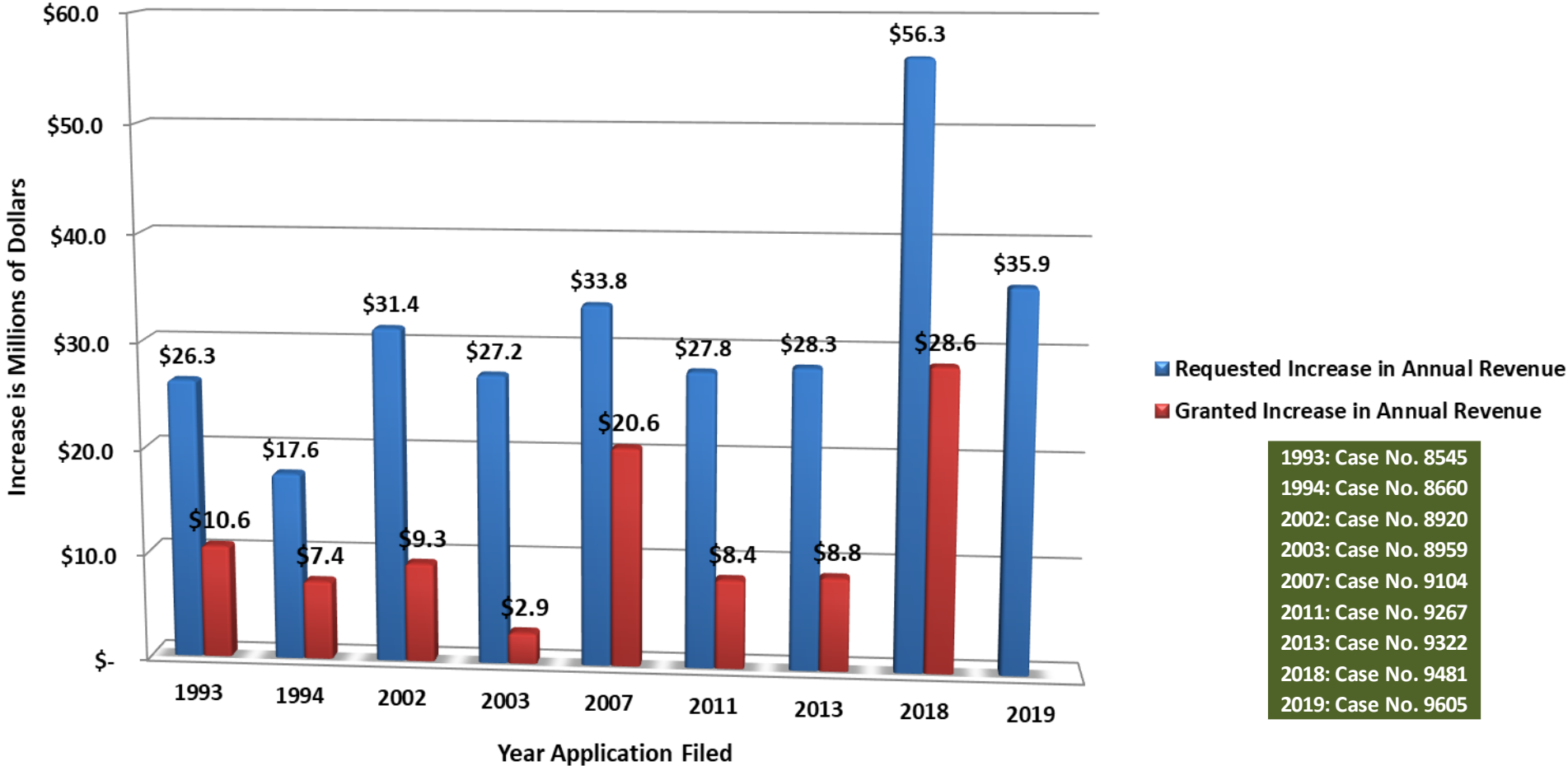
Rate Increase effective December 11, 2018

Maryland Case No. 9481

- The increases to distribution rates by customer class are shown in the chart below. These percentages are based on the \$28.6 million approved increase.

Washington Gas Maryland (Case No. 9481)	Delivery Service	Sales Service
Rate Schedule	WGL Final Compliance Filing	WGL Final Compliance Filing
Residential Heating/Cooling	11.36%	6.04%
Residential Non-Heating/Cooling	9.24%	5.38%
C&I Heating/Cooling	8.30%	5.06%
C&I Large Customers	7.34%	4.84%
C&I Non-Heating/Cooling	0.00%	0.00%
GMA Heating/Cooling	8.79%	6.49%
GMA Non-Heating/Cooling	0.00%	0.00%
Interruptible	5.01%	
Total	9.53%	5.63%

Summary of WGL Rate Increase Applications and Results Maryland



Washington Gas Files New STRIDE Plan in Maryland

Case No. 9486:

- On June 15, 2018, WG filed its Application for approval of a new gas system Strategic Infrastructure Development and Enhancement Plan (“STRIDE 2”) and an accompanying cost recovery mechanism to become effective January 1, 2019.
- The estimated cost of the five year period of Washington Gas’s gas system infrastructure replacement plan (2019 to 2023) is approximately \$393.6 million.
- WG proposed to fund the costs of the accelerated infrastructure replacement through a surcharge cost recovery mechanism, the STRIDE surcharge.
- **A PSC decision was issued December 11, 2018 with new surcharges effective January 1, 2019.**
- The approved monthly STRIDE surcharges by customer class are shown in the chart on next slide

Washington Gas Files New STRIDE Plan in Maryland

Maryland Case No. 9486:

Washington Gas Maryland STRIDE Plan (Case No. 9486)		
Rate Schedule	Approved Monthly Surcharge	STRIDE Surcharge Cap
Residential Heating/Cooling	\$ 0.48	\$ 2.00
C&I Heating/Cooling	\$ 0.29	\$ 1.21
C&I Non-Heating/Cooling	\$ 0.73	\$ 3.02
C&L Large Customers	\$ 5.40	\$ 22.38
GMA Heating/Cooling	\$ 1.63	\$ 6.75
GMA Non-Heating/Cooling	\$ 7.16	\$ 29.66
GMA Large Customers	\$ 1.12	\$ 4.65
Interruptible	\$ 56.50	\$ 234.10



Washington Gas Light Company Virginia

Washington Gas Virginia

Request for \$37.6 Million Increase

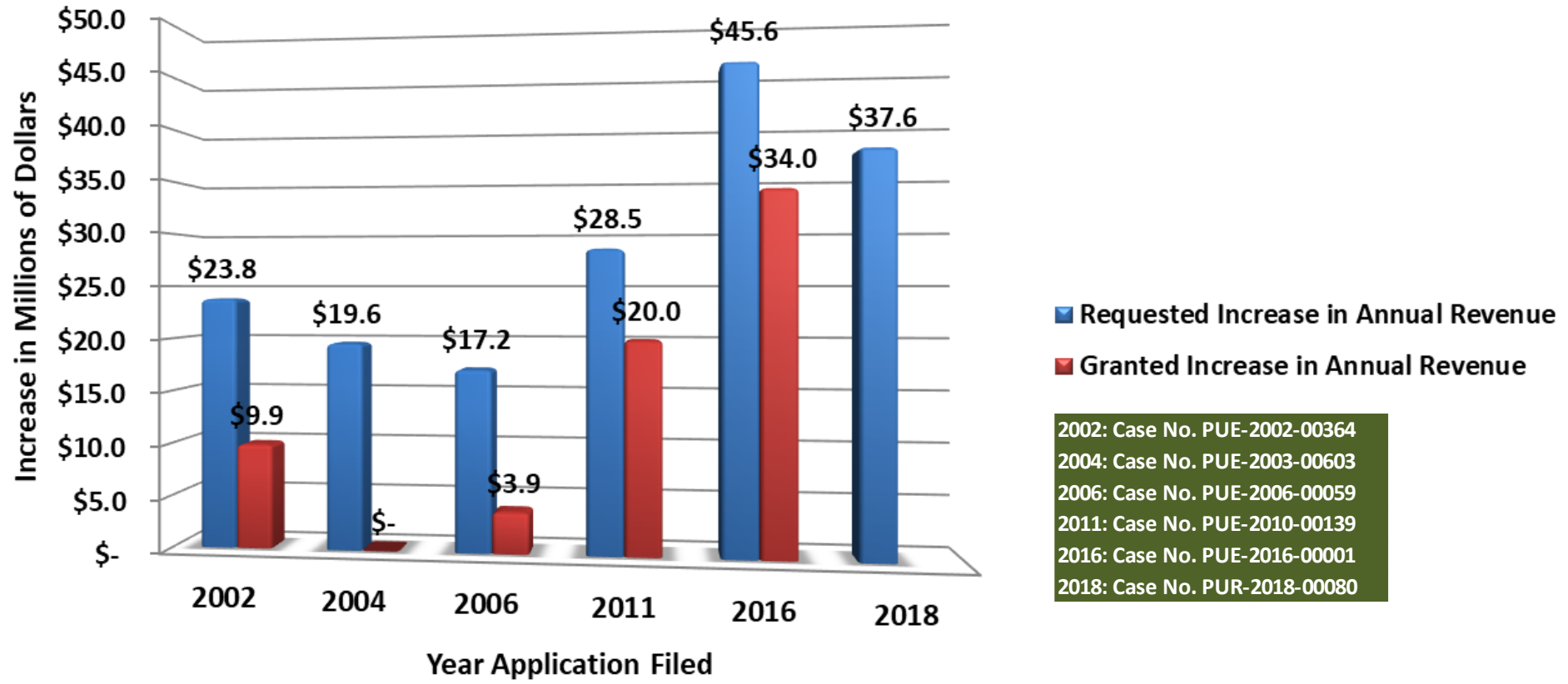
Virginia Case No. PUR-2018-00080:

- **WG filed its Application on July 31, 2018 requesting authority to increase its rates and charges and to revise the terms and conditions applicable to gas service effective for usage beginning with the January 2019 billing cycle, subject to refund.**
- WG proposed to increase the annual operating revenues of Washington Gas by \$37.6 million based on a 10.6% ROE
 - In rebuttal testimony, WG reduced its ROE to 10.3% and requested increase to \$33.3 million
 - Approximately \$14.7 million of the request relates to costs associated with the SAVE Plan
- WG states that the revenue requirement reflects a \$16.3 million reduction for lower tax expense due to the implementation of the TCJA and does not include any costs related to the acquisition of Washington Gas by AltaGas.
- **On February 15, 2019 AOBA filed testimony on behalf on AOBA's members finding that Washington Gas should receive no more than \$23 million in revenue increases.**
- Additionally, AOBA requested a refund in the form of a bill credit for over collected income tax charges from the Tax Cuts and Jobs Act of 2017.
- WG filed its last Application to request a general rate increase on June 30, 2016 with rates effective November 28, 2016, subject to refund.
- **Hearings before the State Corporation Commission concluded May 1st with a decision expected Fall 2019**

Washington Gas Virginia Proposed Rate Increases

Washington Gas Virginia (Case PUR-2018-00080)		
Rate Schedule	WG Proposed Increase to Distribution Rates	AOBA Proposed Increase to Distribution Rates
Residential Heating/Cooling	10.7%	8.2%
C&I Heating/Cooling	18.3%	6.6%
C&I Non-Heating/Cooling	9.6%	6.6%
C&L Large Customers	16.7%	6.6%
GMA Heating/Cooling	21.1%	6.6%
GMA Non-Heating/Cooling	9.5%	6.6%
GMA Large Customers	22.5%	6.6%
Interruptible	22.9%	6.6%
Total	12.6%	7.8%

Summary of Washington Gas Rate Increase Applications and Results Virginia





Dominion Energy Virginia

*As of May 10, 2017, Dominion Virginia Power changed its name to
Dominion Energy Virginia*

Dominion Energy Virginia

2018 Refunds to be issued (PUR-2018-00053)

- During the 2018 session of the Virginia Assembly, lawmakers passed SB966 to end the freeze to base rates and subjects Dominion Energy Virginia to triennial review of its rates, terms, and conditions for generation, distribution, and transmission services.
- The bill became effective July 1, 2018 and Dominion's first review of rates will be in 2021.
- SB966 also contains provisions that require Dominion to issue its current customers generation and distribution services bill credits (BC2D AND BC2G) for a total credit amount of \$72.9 million.
 - The distribution credit was issued under Rider BC2D at a rate of 0.0368 cents per kWh for usage consumed on and after July 1, 2017 through and including June 30, 2018.
 - The generation credit was issued under Rider BC2G at a rate of 0.0720 cents per kWh for usage consumed on and after July 1, 2017 through and including June 30, 2018.
- These credits were issued to customers within 30 days beginning January 1, 2019 in an aggregate amount of \$72.9 million

Dominion Energy Virginia

Tax Cuts and Jobs Act of 2017 (TCJA)

Refunds to be issued

- On April 1, 2019, the State Corporation Commission ordered a reduction in rates for Dominion Energy Virginia. The order implements a directive of the Commission issued in January 2018 that provides customers the benefit of the corporate tax cuts contained in the Tax Cuts and Jobs Act of 2017 (TCJA). The TCJA reduced the federal corporate income tax rate from 35% to 21% effective January 1, 2018. On January 8, 2018, the SCC ordered Dominion to preserve the savings from this tax cut to be returned to customers.
- Dominion will be providing customers a one-time rate credit to reflect the difference in rates between the January 1, 2018 effective date of the TCJA and March 31, 2019, the last day of interim rates. (Case PUR-2018-00055).
- Dominion Virginia has until July 1, 2019 to provide the rate credit.



Appendices

Washington Gas Light Company District of Columbia Surcharges

Washington Gas DC Riders & Surcharges

- **Residential Essential Services (RES)**

Commission approved to fund low-income program to provide assistance in paying gas bills through credits to customers accounts. (FC 1127)

- **PROJECTpipes**

Washington Gas has begun the first five years of its 40-year plan to replace gas main and service lines in various neighborhoods in Washington, D.C. *PROJECTpipes*, formerly known as the District of Columbia Accelerated Pipe Replacement Plan (APRP), is part of our ongoing pipe replacement work. The plan was approved by the Public Service Commission of the District of Columbia in Order No. 17602. (FC 1115)

- **Right of Way (ROW)**

Surcharge for the recovery of the District of Columbia Rights of Way Fee.

- **Sustainable Energy Trust Fund (SETF)**

- **Energy Assistance Trust Fund (EATF)**

The Sustainable Energy Trust Fund and the Energy Assistance Trust Fund shall be used solely to fund the low-income assistance program. Amounts billed to customers shall include a surcharge to recover costs of programs implemented pursuant to the DC Clean and Affordable Energy Act of 2008 and amended by the Residential Aid Subsidy Amendment Act of 2010.

Washington Gas DC Riders & Surcharges

WASHINGTON GAS DC		RESIDENTIAL	COMMERCIAL	GROUP METERED APARTMENTS	INTERRUPTIBLE
Name		\$/therm	\$/therm	\$/therm	\$/therm
RES	Residential Essential Service Surcharge Tariff	\$0.0036000	\$0.0036000	\$0.0036000	\$0.0036000
PP	PROJECTpipes*	\$0.0385000	\$0.0165000	\$0.0163000	\$0.0084000
ROW	Right of Way Surcharge	\$0.0333000	\$0.0333000	\$0.0333000	\$0.0333000
SETF	Sustainable Energy Trust Fund	\$0.0150500	\$0.0150500	\$0.0150500	\$0.0150500
EATF	Energy Assistance Trust Fund	\$0.0083359	\$0.0083359	\$0.0083359	\$0.0083359
Sub-total		\$ 0.099	\$ 0.077	\$ 0.077	\$ 0.069

*PROJECTpipes2 filed in December 2018, will replace PROJECTpipes surcharge

Washington Gas – District of Columbia Surcharges

Residential Essential Service Surcharge Tariff (RES), Formal Case No. 1127:

- On July 13, 2016, the District of Columbia Public Service Commission (DC PSC) approved the Washington Gas Residential Essential Service Surcharge Tariff (RES) , Order No. 18263.
- Per Washington Gas General Service Provisions, No. 29:
 - The monthly charges billed under the Company’s Rate Schedule Nos. 1, 1A, 2, 2A, 3, and 3A shall include an adjustment which is called a Residential Essential Service (RES) Surcharge
 - The RES Surcharge shall be applied to bills monthly and comprise of a current factor and a reconciliation factor
 - The current factor will be effective with the November billing period each year; billing of the reconciliation factor will also commence with the December billing period each year
 - The RES Surcharge shall be billed as a separate line item on customer's monthly bills
 - The RES Surcharge will be applied to all customer bills other than Residential Essential Service customers

FC 1127	
Effective Period	RES Surcharge
Nov. 2016 to Oct. 2017 Billing Period	\$0.0029 per therm
Nov. 2017 to Oct. 2018 Billing Period	\$0.0018 per therm
Dec. 2017 to Nov. 2018 Billing Period	\$(0.0002) per therm
Nov. 2018 to Oct. 2019 Billing Period	\$0.0018 per therm

Washington Gas – District of Columbia Surcharges

Projectpipes, Formal Case No. 1115

(Previously named the Accelerated Pipe Replacement Plan (APRP))

- On January 29, 2015, the District of Columbia Public Service Commission approved the Joint Settlement Agreement between Washington Gas, Office of People’s Counsel, and AOBA for approval of a revised Accelerated Pipe Replacement Program (the “APRP”) for the first five years of the program, Order No. 17789.
- Distribution charges billed under Washington Gas Rate Schedule Nos. 1, 1A, 2, 2A, 3, 3A and 6 are subject to an adjustment called a **Projectpipes** adjustment and will be applied monthly as a separate line item on customer’s natural gas distribution bills.
- The PROJECTpipes charge changes annually and is implemented with each October billing cycle. A financial reconciliation factor is applied to the current APRP charge annually and implemented with each March billing cycle.
- WG filed a revised current factor after the PSC Final Order in FC 1137 was issued and a portion of the amounts have been transferred to base rates.

Washington Gas – District of Columbia Surcharges

PROJECTpipes, Formal Case No. 1115 (cont.)

- As a result of the Commission’s Final Order in Formal Case No. 1137:
 - The PROJECTPipes surcharge will continue, however a portion of the PROJECTpipes plant has been transferred into base rates.
 - There is a separate rate class for Group Metered Apartment (GMA) customers.

- On September 2018, WG filed its proposed PROJECTpipes surcharges for FY 2019.

Project Pipes 1 Surcharge				
	<u>Residential</u>	<u>Commercial</u>	<u>Group Metered Apartments</u>	<u>Interruptible</u>
FY 2019	\$0.0385 per therm	\$0.0165 per therm	\$0.0163 per therm	\$0.0084 per therm

Washington Gas – District of Columbia Surcharges

➤ **WGL Right of Way Surcharge (ROW), GT00-2** ¹

Rate Effective with the April 2012 Billing Cycle	\$0.0313 per therm
Rate Effective with the April 2013 Billing Cycle	\$0.0364 per therm
Rate Effective with the June 2013 Billing Cycle	\$0.0278 per therm
Rate Effective with the April 2014 Billing Cycle	\$0.0266 per therm
Rate Effective with the April 2015 Billing Cycle	\$0.0399 per therm
Rate Effective with the June 2016 Billing Cycle	\$0.0382 per therm
Rate Effective with the June 2017 Billing Cycle	\$0.0367 per therm
Rate Effective with the June 2018 Billing Cycle	\$0.0328 per therm

➤ **Sustainable Energy Trust Fund** ²

FY 2009	\$0.011 per therm
FY 2010	\$0.012 per therm
FY 2011	\$0.014 per therm through fiscal year 2016;
FY 2017	\$0.01505 per therm through fiscal year 2019
FY 2020	\$0.03762 per therm through fiscal year 2031

¹ A per therm surcharge for all therms used shall be billed in addition to any other billings under this rate schedule. This surcharge will provide for the recovery of the District of Columbia Rights of Way Tax and be computed as set forth in General Service Provision No. 22, Surcharge for District of Columbia Rights of Way Fee. Source Washington Gas website under Tariff Information. Case No. GT00-2.

² Energy Assistance Trust Fund Surcharge & Sustainable Energy Trust Fund Surcharge effective billing month of October 2008. Amounts billed to customers shall include a surcharge to recover costs of programs implemented pursuant to the DC Clean and Affordable Energy Act of 2008 and amended by the Residential Aid Subsidy Amendment Act of 2010. Charges are mandated by the DC Government. See DC Code § 8-1774.10 Sustainable Energy Trust Fund, <http://dccode.org/simple/sections/8-1774.10.html>. Charges are listed on WG's website under Publications by Jurisdiction.

Washington Gas – District of Columbia Surcharges

➤ Energy Assistance Trust Fund¹

- In its FY 2018 Budget, the DC Council raised the Energy Assistance Trust Fund Rate from \$0.0051 per therm to **\$0.0083359 per therm**.
- The new rate became effective October 1, 2017.

➤ Hexane Cost Adjustment

- Implemented through Purchase Gas Charge (PGC) for Sales Service Customers
- Implemented through Balancing Charges for Delivery Service Customers

¹Energy Assistance Trust Fund Surcharge & Sustainable Energy Trust Fund Surcharge effective billing month of October 2008. Amounts billed to customers shall include a surcharge to recover costs of programs implemented pursuant to the DC Clean and Affordable Energy Act of 2008 and amended by the Residential Aid Subsidy Amendment Act of 2010. Charges are mandated by the DC Government. See DC Code § 8-1774.11 Energy Assistance Trust Fund, <http://dccode.org/simple/sections/8-1774.11.html>. Charges are listed on WG's website under *Publications by Jurisdiction*.

Washington Gas – District of Columbia Purchased Gas Costs & Balancing Charges

Washington Gas DC	\$/therm	
	Purchased Gas Costs	Balancing Charges
January-18	\$ 0.4190	\$ 0.0144
February-18	\$ 0.4949	\$ 0.0144
March-18	\$ 0.4180	\$ 0.0144
April-18	\$ 0.4180	\$ 0.0187
May-18	\$ 0.4180	\$ 0.0187
June-18	\$ 0.4018	\$ 0.0187
July-18	\$ 0.4018	\$ 0.0187
August-18	\$ 0.4018	\$ 0.0187
September-18	\$ 0.4316	\$ 0.0187
October-18	\$ 0.4316	\$ 0.0187
November-18	\$ 0.4652	\$ 0.0187
December-18	\$ 0.4932	\$ 0.0159
January-19	\$ 0.5450	\$ 0.0159
February-19	\$ 0.5180	\$ 0.0159
March-19	\$ 0.5127	\$ 0.0021
April-19	\$ 0.5702	\$ 0.0021
<p><i>*Reflects Purchased gas costs minus balancing charges. The Balancing Charge is billed to 3rd party suppliers to recover a portion of WG capacity and peaking operation's costs.</i></p>		

Washington Gas DC Purchased Gas Costs and Balancing Charges
<http://www.washgas.com/pages/DCCOMWashingtonGasPurchasedGasCosts>

Washington Gas Light Company Maryland Surcharges

Washington Gas Maryland Riders & Surcharges

➤ **EmPower Maryland**

Through this plan, the Company is authorized to implement a surcharge in support of the Company's approved energy efficiency and conservation programs and cost recovery mechanism. Customers receiving service under Rate Schedule Nos. 1, 1A, 2, 2A, 3, 3A, 4 and 6 are subject to the EmPOWER surcharge.

➤ **Montgomery County Fuel/Energy Tax (MCFET) and Prince George's County Energy Tax**

A fuel-energy tax is levied and imposed on every person transmitting, distributing, manufacturing, producing, or supplying electricity, gas, steam, coal, fuel oil, or liquefied petroleum gas in the County.

➤ **Accelerated Pipe Replacement (STRIDE 2)**

On May 6, 2014, the Maryland Public Service Commission approved Washington Gas' Strategic Infrastructure Development and Enhancement Plan (STRIDE) and Associated Cost Recovery Mechanism. Through its STRIDE plan, Washington Gas is authorized to accelerate replacement of targeted pipes for safety and environmental reasons throughout its Maryland service territory.

Washington Gas Maryland Riders & Surcharges

WASHINGTON GAS MARYLAND		RESIDENTIAL	COMMERCIAL	GROUP METERED APARTMENTS	INTERRUPTIBLE
Name		\$/therm	\$/therm	\$/therm	\$/therm
EMP	EmPower Maryland	(\$0.0004000)	\$0.0004000	\$0.0004000	\$0.0004000
MCFT	Montgomery County Fuel Energy Tax	\$0.1740681	\$0.1740681	\$0.1740681	\$0.1740681
PGCT	Prince George's County Energy Tax	\$0.0849490	\$0.0849490	\$0.0849490	\$0.0849490
Sub-total Montgomery County		\$ 0.17	\$ 0.17	\$ 0.17	\$ 0.17
Sub-total Prince George's County		\$ 0.08	\$ 0.09	\$ 0.09	\$ 0.09

WASHINGTON GAS MARYLAND		RESIDENTIAL	RESIDENTIAL	C&I HEATING	C&I HEATING >3000
		\$/month	NON HEATING	<3000 THERMS	THERMS
			\$/month	\$/month	\$/month
STRIDE 2	Accelerated Pipe Replacement	\$ 0.48	\$ 0.29	\$ 0.73	\$ 5.40

WASHINGTON GAS MARYLAND		C&I NON	GMA HEATING	GMA NON-	INTERRUPTIBLE
		HEATING	\$/month	HEATING	\$/month
		\$/month		\$/month	
STRIDE 2	Accelerated Pipe Replacement	\$ 1.63	\$ 7.16	\$ 1.12	\$ 56.50

Washington Gas – Maryland Surcharges

Montgomery County Fuel Energy Tax for Natural Gas Customers

Tax Rate as of 6/30/10	\$0.1192100 per therm
Tax Rate Effective 7/1/10 - 6/30/12	\$0.1944390 per therm
Tax Rate Effective 7/1/12 - 6/30/13	\$0.1868761 per therm
Tax Rate Effective 7/1/13 - 6/30/14	\$0.1753900 per therm
Tax Rate Effective 7/1/14 - 6/30/15	\$0.1741142 per therm
Tax Rate Effective 7/1/15 - 6/30/16	\$ 0.1740825 per therm
Tax Rate Effective 7/1/16 - 6/30/17	\$0.1702600 per therm
Tax Rate Effective 7/1/17 - 6/30/18	\$0.1740681 per therm
Tax Rate Effective 7/1/18 - 6/30/19	\$0.1740788 per therm

Washington Gas – Maryland Surcharges

Prince Georges County Energy Tax for Natural Gas Customers

Tax Rate Effective 7/1/10 - 6/30/12	\$0.064931 per therm
Tax Rate Effective 7/1/12 - 6/30/13	\$0.059719 per therm
Tax Rate Effective 7/1/13 - 6/30/14	\$0.061328 per therm
Tax Rate Effective 7/1/14 - 6/30/15	\$0.059118 per therm
Tax Rate Effective 7/1/15 - 6/30/16	\$0.065576 per therm
Tax Rate Effective 7/1/16 - 6/30/17	\$0.059196 per therm
Tax Rate Effective 7/1/17 – 6/30/18	\$0.057534 per therm
Tax Rate Effective 7/1/18 – 6/30/19	\$0.084949 per therm

**** rates increased 47% from 2017 to 2018***

Washington Gas – Maryland Surcharges

EmPower Maryland Surcharge (Case 9494 formerly Case 9362)

- WG filed for approval of the Company's 2018-2020 EmPower Maryland Regulatory Plan on January 18, 2019.
- Previous Rates were in effect March 2018 – February 2019 :
 - Residential Service: \$0.0145 per therm
 - Commercial Service: \$0.0049 per therm
- **On February 1, 2019, Washington Gas filed a revised surcharge which showed a lower amount of costs to be recovered in 2019 and the surcharge for the remainder of 2019 was lowered.**
- **The EmPower Maryland surcharges effective with the March 2019 bill cycle are as follows:**
 - Residential Service: (\$0.0004) per therm**
 - Commercial Service: \$0.0004 per therm**
- The EmPower Maryland surcharge is billed as a separate line item on customer's monthly natural gas bills

Washington Gas – Maryland Purchased Gas Costs & Balancing Charges

Washington Gas Maryland	\$/therm	\$/therm
	Purchased Gas Costs	Balancing Charges
January-18	\$ 0.4252	\$ 0.0126
February-18	\$ 0.5020	\$ 0.0126
March-18	\$ 0.4203	\$ 0.0172
April-18	\$ 0.4203	\$ 0.0172
May-18	\$ 0.4203	\$ 0.0172
June-18	\$ 0.4037	\$ 0.0172
July-18	\$ 0.4037	\$ 0.0172
August-18	\$ 0.4037	\$ 0.0172
September-18	\$ 0.4352	\$ 0.0172
October-18	\$ 0.4352	\$ 0.0172
November-18	\$ 0.4692	\$ 0.0172
December-18	\$ 0.4749	\$ 0.0138
January-19	\$ 0.5260	\$ 0.0138
February-19	\$ 0.4988	\$ 0.0138
March-19	\$ 0.4813	\$ 0.0065
April-19	\$ 0.5394	\$ 0.0065
<p><i>*Reflects Purchased gas costs minus balancing charges. The Balancing Charge is billed to 3rd party suppliers to recover a portion of WG capacity and peaking operation's costs.</i></p>		

Washington Gas MD – Purchased Gas Costs and Balancing Charges

<http://www.washgas.com/pages/MDRESPurchasedGasCosts>

Washington Gas Light Company Virginia Surcharges

Washington Gas Virginia Riders & Surcharges

- **Steps to Advance Virginia's Energy Plan (SAVE)**

Commission approved infrastructure replacement plan approved in 2010 (Case No. PUE-2010-00087)

- **Weather Normalization Adjustment (WNA)**

The WNA is designed to reduce the volatility of customers' natural gas bills due to changes in weather conditions. Washington Gas will adjust customers' annual bills - through the use of a credit or surcharge - to reflect normal, rather than actual, weather conditions from the previous winter heating season (November to May).

- **Conservation & Ratemaking Efficiency (CARE)**

- **Care Cost Adjustment (CCA)**

Commission approved CARE and CCA plan for Washington Gas in 2012 (Case No. PUE-2012-00138) allowing the Company to implement important conservation initiatives while also continuing to recover the fixed costs of providing natural gas service to customers as well as CARE program costs.

- **Performance Based Rate Recovery (PBR)**

The Company may file an application with the Commission for approval to recover the actual Virginia-jurisdictional amount of the non-Btu component of hexane expensed during that PBR period, in excess of \$400,000, and such recovery must be granted by the Commission before this portion of the Company's tariff will apply. (Case No. PUE-2006-00059)

Washington Gas Virginia Riders & Surcharges

WASHINGTON GAS VA Name		RESIDENTIAL \$/therm	COMMERCIAL \$/therm	GROUP METERED APARTMENTS \$/therm	INTERRUPTIBLE \$/therm
SAVE	Infrastructure Replacement Plan		\$0.0003	\$0.0010	\$0.0022
Sub-total		\$ -	\$ 0.0003	\$ 0.0010	\$ 0.0022

WNA Weather Normalization Adjustment
 CARE Conservation & Ratemaking Efficiency
 CCA Care Cost Adjustment
 PBR Performance Based Rate Recovery

Calculated annually in August
 Included in "All Applicable Riders"
 Included in "All Applicable Riders"
 Included in "All Applicable Riders"

Washington Gas – Virginia

Purchased Gas Costs & Balancing Charges

Washington Gas Virginia Commercial	\$/therm	\$/therm			Washington Gas Virginia GMA	\$/therm	\$/therm	
	Purchased Gas Costs	Balancing Charges				Purchased Gas Costs	Balancing Charges	
January-18	\$ 0.3794	\$ 0.0056			January-18	\$ 0.6085	\$ 0.0121	
February-18	\$ 0.4561	\$ 0.0056			February-18	\$ 0.6852	\$ 0.0121	
March-18	\$ 0.3738	\$ 0.0123			March-18	\$ 0.6062	\$ 0.0162	
April-18	\$ 0.3738	\$ 0.0123			April-18	\$ 0.6062	\$ 0.0162	
May-18	\$ 0.3738	\$ 0.0123			May-18	\$ 0.6062	\$ 0.0162	
June-18	\$ 0.3439	\$ 0.0123			June-18	\$ 0.5761	\$ 0.0162	
July-18	\$ 0.3439	\$ 0.0123			July-18	\$ 0.5761	\$ 0.0162	
August-18	\$ 0.3439	\$ 0.0123			August-18	\$ 0.5761	\$ 0.0162	
September-18	\$ 0.3836	\$ 0.0123			September-18	\$ 0.6169	\$ 0.0162	
October-18	\$ 0.3836	\$ 0.0123			October-18	\$ 0.6169	\$ 0.0162	
November-18	\$ 0.4187	\$ 0.0123			November-18	\$ 0.6520	\$ 0.0162	
December-18	\$ 0.4747	\$ 0.0102			December-18	\$ 0.6572	\$ 0.0127	
January-19	\$ 0.5261	\$ 0.0102			January-19	\$ 0.7086	\$ 0.0127	
February-19	\$ 0.4963	\$ 0.0102			February-19	\$ 0.6788	\$ 0.0127	
March-19	\$ 0.4675	\$ 0.0102			March-19	\$ 0.6586	\$ 0.0127	
April-19	\$ 0.5528	\$ 0.0102			April-19	\$ 0.7139	\$ 0.0127	
*Reflects Purchased gas costs minus balancing charges. The Balancing Charge is billed to 3rd party suppliers to recover a portion of WG capacity and peaking operation's costs.					*Reflects Purchased gas costs minus balancing charges. The Balancing Charge is billed to 3rd party suppliers to recover a portion of WG capacity and peaking operation's costs.			

Washington Gas VA Purchased Gas Cost and Balancing Charges
<http://www.washgas.com/pages/VACOMWashingtonGasPurchasedGasCosts>



Pepco District of Columbia Surcharges

Pepco DC – Riders & Surcharges

➤ **Administrative Credit**

The purpose of this rider is to return to all customers receiving distribution service a portion of the SOS Administrative Charge revenues received from customers on Standard Offer Service.

➤ **Delivery Tax (DT)**

Became effective January 1, 2005. The Delivery tax is charged to customers to recover the delivery tax imposed on Pepco by the District of Columbia City Council.

➤ **Public Space Occupancy (PSOS)**

Effective March 1, 2011 and is used to recover all payments made by Pepco to the District of Columbia for the rental of public structures in public spaces. Pepco proposes the surcharge rate and the DC PSC must approve. This surcharge changes each year on March 1st.

➤ **Residential Aid Surcharge (RADS)**

Effective for service on and after June 1, 2011. This surcharge is billed to customers to recover costs of funding the discount provided to customers participating in the Residential Aid Discount program.

Pepco DC – Riders & Surcharges

➤ **Energy Assistance Trust Fund & Sustainable Energy Trust Fund (EATF & SETF)**

The Energy Assistance Trust Fund and the Sustainable Energy Trust Fund charges became effective with the October 2010 billing month. The amounts billed to customers are used to recover the costs of programs pursuant to the District of Columbia Clean and Affordable Energy Act of 2008. Rates are set by the DC Public Service Commission.

➤ **Pepco Underground Project Charge (“UPC”)**

Effective for service on or after February 7, 2018. The Underground Project Charge (UPC) is designed to recover the costs Pepco incurs during the undergrounding of the feeders and is billed as a separate line item. The UPC will remain in effect for two years and will collect \$5.6 million in total revenues.

➤ **The Underground Rider**

Effective for service on or after February 7, 2018. The financing order permits Pepco to recover the DDOT costs through the Underground Rider charge. This charge is included in the distribution energy charges along with the BSA charge on the Pepco bills. The Underground Rider will also remain in effect for two years and is designed to collect \$30 million per year.

➤ **Bill Stabilization Adjustment (BSA)**

The BSA is a monthly adjustment that is separate from the initial rate decrease referred to above and will lower rates if Pepco is receiving more revenue than the PSC has approved, and will increase rates if Pepco is receiving less revenue than the PSC has approved.

Pepco DC – Riders & Surcharges

PEPCO DC		R	MMA	GS ND	GS LV	GS 3A
Name		\$/kwh	\$/kwh	\$/kwh	\$/kwh \$/kw	\$/kwh
AC	Administrative Credit	(\$0.0006477)		\$0.0000000		
DT	Delivery Tax	\$0.0070000	\$0.0070000	\$0.0077000	\$0.0077000	\$0.0077000
PSOS	Public Space Occupancy	\$0.0021100	\$0.0021100	\$0.0021100	\$0.0021100	\$0.0021100
RADS	Residential Aid Discount Surcharge	\$0.0007650	\$0.0007650	\$0.0007650	\$0.0007650	\$0.0007650
SETF	Sustainable Energy Trust Fund	\$0.0016120	\$0.0016120	\$0.0016120	\$0.0016120	\$0.0016120
EATF	Energy Assistance Trust Fund	\$0.0002322	\$0.0002322	\$0.0002322	\$0.0002322	\$0.0002322
BSA	Bill Stabilization Adjustment	(\$0.0003910)	\$0.0010740	\$0.0052870	(\$0.0017630)	\$0.0041050
UPC	Underground Project Charge	\$0.0001800	\$0.0001500	\$0.0003700	\$0.0006900	\$0.0005900
DDOT	DDOT Underground Rider	\$0.0013800	\$0.0011500	\$0.0045100	\$0.0048800	\$0.0060200
	Sub-total	\$ 0.01	\$ 0.01	\$ 0.02	\$ 0.02	\$ 0.02
EDIT	Excess Deferred Income Tax Credit (5 year Summer)	(\$0.0003900)	(\$0.0014000)	(\$0.0010000)	(\$0.0004300) (\$0.1200000)	(\$0.0003500) (\$0.1800000)
EDIT	Excess Deferred Income Tax Credit (5 year Winter)	(\$0.0002700)	(\$0.0009800)	(\$0.0007800)	(\$0.0003300) (\$0.1200000)	(\$0.0002500) (\$0.1800000)
EDIT	Excess Deferred Income Tax Credit (10 year Winter)	(\$0.0133000)	(\$0.0047700)	(\$0.0034200)	(\$0.0014800) (\$0.4300000)	(\$0.0011800) (\$0.6200000)
EDIT	Excess Deferred Income Tax Credit (10 year Winter)	(\$0.0009300)	(\$0.0033300)	(\$0.0026700)	(\$0.0011200) (\$0.4300000)	(\$0.0008500) (\$0.6200000)

[Pepco DC Tariff](#)

Pepco DC – Riders & Surcharges

PEPCO DC	Name	MGT_LV \$/kwh	GT LV \$/kwh	GT 3A \$/kwh	GT 3B \$/kwh
AC	Administrative Credit				
DT	Delivery Tax	\$0.0077000	\$0.0077000	\$0.0077000	\$0.0077000
PSOS	Public Space Occupancy	\$0.0021100	\$0.0021100	\$0.0021100	\$0.0021100
RADS	Residential Aid Discount Surcharge	\$0.0007650	\$0.0007650	\$0.0007650	\$0.0007650
SETF	Sustainable Energy Trust Fund	\$0.0016120	\$0.0016120	\$0.0016120	\$0.0016120
EATF	Energy Assistance Trust Fund	\$0.0002322	\$0.0002322	\$0.0002322	\$0.0002322
BSA	Bill Stabilization Adjustment	\$0.0044230	\$0.0037120	\$0.0021690	\$0.0002400
UPC	Underground Project Charge	\$0.0004900	\$0.0004900	\$0.0002800	\$0.0000300
DDOT	DDOT Underground Rider	\$0.0039000	\$0.0039000	\$0.0022900	\$0.0003200
	Sub-total	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.01
EDIT	Excess Deferred Income Tax Credit (5 year Summer)	(\$0.0001500) (\$0.1900000)	(\$0.0001500) (\$0.1900000)	(\$0.0000700) (\$0.1400000)	(\$0.1400000)
EDIT	Excess Deferred Income Tax Credit (5 year Winter)	(\$0.0001500) (\$0.1900000)	(\$0.0001500) (\$0.1900000)	(\$0.0000700) (\$0.1400000)	(\$0.1500000)
EDIT	Excess Deferred Income Tax Credit (10 year Winter)	(\$0.0005100) (\$0.6400000)	(\$0.0005100) (\$0.6400000)	(\$0.0002400) (\$0.4700000)	(\$0.4700000)
EDIT	Excess Deferred Income Tax Credit (10 year Winter)	(\$0.0005100) (\$0.6400000)	(\$0.0005100) (\$0.6400000)	(\$0.0002400) (\$0.4700000)	(\$0.5100000)

[Pepco DC Tariff](#)

Pepco Maryland Surcharges

Pepco MD – Riders & Surcharges

➤ **Administrative Credit**

The purpose of this rider is to return to all customers receiving distribution service a portion of the SOS Administrative Charge revenues received from customers on Standard Offer Service.

➤ **Delivery Tax (DT)**

The Delivery tax is charged to customers to recover the Franchise Tax in Maryland

➤ **Montgomery County Surcharge (MCS)**

For customers located in Montgomery County, this surcharge collects the revenue required to compensate Pepco for the Montgomery County Fuel and Energy Tax imposed by Montgomery County.

➤ **Prince George's County Tax (PGCT)**

For customers located in Prince George's County, this tax collects the revenue required to compensate Pepco for taxes imposed by Prince George's County.

Pepco MD – Riders & Surcharges

➤ **Maryland Environmental Surcharge (MES)**

This surcharge is billed to customers compensate Pepco for the environmental surcharge imposed by the State of Maryland on all kilowatt-hours generated in Maryland. This is updated on June 30th each year.

➤ **Empower Maryland (E-MD)**

Amounts billed to customers shall include a surcharge to reflect demand-side management program costs. Rider “E-MD” will be determined annually by class based on projections of demand-side management program costs and PJM market earnings (including an adjustment for variances between budgeted and actual prior year expenditures) and forecasts of kilowatt hour sales.

➤ **Bill Stabilization Adjustment (BSA)**

The BSA is a monthly adjustment that is separate from the initial rate decrease referred to above and will lower rates if Pepco is receiving more revenue than the PSC has approved, and will increase rates if Pepco is receiving less revenue than the PSC has approved.

➤ **Universal Services Charge (USC)**

Amounts billed to customers shall include a surcharge to recover costs of Universal Service Programs required by the Maryland Electric Customer Choice and Competition Act, including bill assistance, low-income weatherization and the retirement of arrearages that were incurred prior to July 1, 2000.

Pepco Maryland Surcharges & Taxes

PEPCO MD		R	GS	MGT LV II	MGT LV III	MGT 3A II
	Name	\$/kwh	\$/kwh	\$/kwh	\$/kwh	\$/kwh
AC	Administrative Credit	(\$0.0002912)	(\$0.0013240)	(\$0.0006615)	\$0.0000000	\$0.0000000
DT	Delivery Tax	\$0.0006200	\$0.0006200	\$0.0006200	\$0.0006200	\$0.0006200
MCS	Montgomery County Surcharge	\$0.0113081	\$0.0200224	\$0.0200224	\$0.0200224	\$0.0200224
PGCT	Prince George's County Tax	\$0.0099000	\$0.0099000	\$0.0099000	\$0.0099000	\$0.0099000
MES	Maryland Environmental Surcharge	\$0.0001420	\$0.0001420	\$0.0001420	\$0.0001420	\$0.0001420
E-MD	Empower Maryland	\$0.0074580	\$0.0049070	\$0.0049070	\$0.0049070	\$0.0049070
BSA	Bill Stabilization Adjustment	\$0.0013600	(\$0.0043150)	\$0.0027340	\$0.0027340	\$0.0013800
GRC	Grid Resiliency Charge	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000
Montgomery County Sub-total		\$ 0.021	\$ 0.020	\$ 0.028	\$ 0.028	\$ 0.027
Prince George's County Sub-total		\$ 0.019	\$ 0.010	\$ 0.018	\$ 0.018	\$ 0.017

PEPCO MD		MGT 3A III	GT LV	GT 3A	GT 3B
	Name	\$/kwh	\$/kwh	\$/kwh	\$/kwh
AC	Administrative Credit	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000
DT	Delivery Tax	\$0.0006200	\$0.0006200	\$0.0006200	\$0.0006200
MCS	Montgomery County Surcharge	\$0.0200224	\$0.0200224	\$0.0200224	\$0.0200224
PGCT	Prince George's County Tax	\$0.0099000	\$0.0099000	\$0.0099000	\$0.0099000
MES	Maryland Environmental Surcharge	\$0.0001420	\$0.0001420	\$0.0001420	\$0.0001420
E-MD	Empower Maryland	\$0.0049070	\$0.0049070	\$0.0049070	\$0.0049070
BSA	Bill Stabilization Adjustment	\$0.0013800	\$0.0019290	\$0.0002860	\$0.0006580
GRC	Grid Resiliency Charge	\$0.0000000	\$0.0000000	\$0.0000000	\$0.0000000
Montgomery County Sub-total		\$ 0.027	\$ 0.028	\$ 0.026	\$ 0.026
Prince George's County Sub-total		\$ 0.017	\$ 0.017	\$ 0.016	\$ 0.016

[Pepco MD](#)

Pepco Maryland Surcharges & Taxes

➤ Universal Service Charge (USC)

Amounts billed to customers shall include a surcharge to recover costs of Universal Service Programs required by the Maryland Electric Customer Choice and Competition Act, including bill assistance, low-income weatherization and the retirement of arrearages that were incurred prior to July 1, 2000.

Universal Service Charge Recovery			
Based on Customer's Electric Distribution Bills			Customer Charge
For Previous Year			per month
Under \$175			\$0.36
\$175.00	-	\$1,299.00	\$2.66
\$1,300.00	-	\$2,599.00	\$8.85
\$2,600.00	-	\$6,499.00	\$17.71
\$6,500.00	-	\$12,999.00	\$35.41
\$13,000.00	-	\$25,999.00	\$53.12
\$26,000.00	-	\$51,999.00	\$70.83
\$52,000.00	-	\$77,999.00	\$132.80
\$78,000.00	-	\$103,999.00	\$177.07
\$104,000.00	-	\$129,999.00	\$265.59
\$130,000.00	-	\$181,999.00	\$394.40
\$182,000.00	-	\$233,999.00	\$531.20
\$234,000.00	-	\$259,999.00	\$796.79
\$260,000.00	-	\$519,999.00	\$1,062.38
\$520,000.00	-	\$779,999.00	\$1,416.51
\$780,000.00	-	\$1,039,999.00	\$1,770.65
\$1,040,000.00	-	\$1,299,999.00	\$2,124.78
\$1,300,000.00	-	\$1,559,999.00	\$2,478.91
\$1,560,000.00	-	\$1,819,999.00	\$2,833.03
\$1,820,000.00	-	\$2,079,999.00	\$3,098.63
\$2,080,000.00	-	\$2,339,999.00	\$3,364.23
\$2,340,000.00	-	\$2,599,999.00	\$3,541.29
\$2,600,000.00	-	\$3,249,999.00	\$3,718.36
Over \$3,250,000			\$3,983.95



Dominion Energy Virginia Rate Rider Updates

Dominion Energy Virginia Rate Riders

Virginia Dominion Rate Riders		Footnotes	GS-1		G2-2 Non-Dem		GS-2T		GS-3		GS-4 Primary	
Name			¢/ kwh	¢/ kwh ₁	\$/ kW ₁	¢/ kwh ₂	\$/ kW ₂	¢/ kwh ₃	\$/ kW ₃	¢/ kwh ₃	\$/ kW ₃	
A	Fuel Charge Rider- A		\$ 2.7000	\$ 2.7000		\$ 2.7000		\$ 2.7000		\$ 2.7000		
B	Biomass Conversions		\$ 0.0603	\$ 0.0638	\$ 0.2290	\$ 0.0638	\$ 0.2290		\$ 0.2310			\$ 0.2240
BW	Brunswick County Power Station		\$ 0.1648	\$ 0.1750	\$ 0.6300	\$ 0.1750	\$ 0.6300		\$ 0.6310			\$ 0.6120
C1A	C1A Peak Shaving Increment Rider		\$ 0.0007	\$ 0.0006		\$ 0.0006		\$ 0.0005		\$ 0.0004		
C2A	C2A Energy Efficiency Increment Rider		\$ 0.0483	\$ 0.0432		\$ 0.0432		\$ 0.0399		\$ 0.0286		
GV	Greenville Power Station		\$ 0.1443	\$ 0.1518	\$ 0.5460	\$ 0.1518	\$ 0.5460		\$ 0.5480			\$ 0.5320
R	Gas-Fired Generating Plant (Bear Garden)		\$ 0.0944	\$ 0.0999	\$ 0.3590	\$ 0.0999	\$ 0.3590		\$ 0.6100			\$ 0.3500
S	New Coal Plant (VCHEC)		\$ 0.3120	\$ 0.3303	\$ 1.1900	\$ 0.3303	\$ 1.1900		\$ 1.1930			\$ 1.1580
T1	Transmission		\$ 0.3157	\$ 0.6826			\$ 0.7980		\$ 0.9990			\$ 0.6580
U	Strategic Undergrounding		\$ 0.1458	\$ 0.1058	\$ 0.3780	\$ 0.1058	\$ 0.3780		\$ -			\$ -
US-2	2016 Solar Projects		\$ 0.0183	\$ 0.0194	\$ 0.0700	\$ 0.0194	\$ 0.0700		\$ 0.0700			\$ 0.0680
W	Warren County Power Station		\$ 0.1561	\$ 0.1652	\$ 0.5950	\$ 0.1652	\$ 0.5950		\$ 0.5970			0.579
BC2D	2018 Bill Credits Distribution		\$ (0.0368)	\$ (0.0368)		\$ (0.0368)		\$ (0.0368)		\$ (0.0368)		
BC2G	2018 Bill Credits Generation		\$ (0.0720)	\$ (0.0720)		\$ (0.0720)		\$ (0.0720)		\$ (0.0720)		

¹ If the monthly Load Factor is less than or equal to 50%, the Energy Rate (kWh) applies; otherwise the Demand Charge (kW) applies to the kW of Demand. Load Factor is calculated as Monthly Total kWh ÷ the number of Days in the Billing Month ÷ 24 ÷ the Maximum Measured kW of Demand.

² If the monthly Load Factor is less than or equal to 50%, the Energy Rate (kWh) applies; otherwise the Demand Charge (kW) applies to the On-Peak Electricity Supply Demand. Load Factor is calculated as Monthly Total kWh ÷ the number of Days in the Billing Month ÷ 24 ÷ the Maximum Measured kW of Demand.

³ Applied to On-Peak Electricity Supply Demand.

<https://www.dominionenergy.com/large-business/rates-and-tariffs/business-rates>

Dominion Energy Virginia Files Proposal for Updated Underground Rider Rider U 2019

Case No. PUR-2019-00046:

- On March 27, 2019 Dominion Energy Virginia's ("Dominion") filed its application for and updated Underground Rider for the rate year February 1, 2020 through January 31, 2021.
- **The Rider allows cost recovery for Dominion of \$51.5 million for the 2020 Rate Year** including a proposed 9.2% return on equity (ROE).
- A hearing has been scheduled at VA SCC on July 16, 2019.

Dominion Energy Virginia Files Proposal for Updated Underground Rider Rider U

Case No. PUR-2019-00046:

The proposed Strategic Underground Program rates, Rider U, are shown in the chart below.

U 2016 Strategic Underground Program– Effective for usage on and after February 1, 2020

GS-1	0.1118 ¢/kWh	2/1/2020
GS-2	0.0697 ¢/kWh¹, 0.298 \$/kW²	2/1/2020
GS-3	N/A	
GS-4 Primary	N/A	

¹If the monthly Load Factor is less than or equal to 50%, the Energy Rate (kWh) applies; otherwise the Demand Charge (kW) applies to the kW of Demand. Load Factor is calculated as Monthly Total kWh ÷ the number of Days in the Billing Month ÷ 24 ÷ the Maximum Measured kW of Demand.

² If the monthly Load Factor is less than or equal to 50%, the Energy Rate (kWh) applies; otherwise the Demand Charge (kW) applies to the On-Peak Electricity Supply Demand. Load Factor is calculated as Monthly Total kWh ÷ the number of Days in the Billing Month ÷ 24 ÷ the Maximum Measured kW of Demand.

Dominion Energy Virginia Files Proposal for Updated Underground Rider Rider U

Case No. PUR-2018-00042:

- On December 19, 2018 the Virginia State Corporation Commission (“SCC”) approved Dominion Energy Virginia’s (“Dominion”) application for and updated Underground Rider.
- **The Rider allows cost recovery for Dominion of \$71 million for the 2019 Rate Year.**

U 2016 Strategic Underground Program– Effective for usage on and after February 1, 2019

GS-1	0.1458 ¢/kWh	2/1/2019
GS-2	0.1058 ¢/kWh¹, 0.378 \$/kW²	2/1/2019
GS-3	N/A	
GS-4 Primary	N/A	