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For Immediate Release

Maryland Public Service Commission Denies \$30 Million Rate Increase by Washington Gas Light Company

(Baltimore)—The Maryland Public Service Commission has issued an Order rejecting an application by Washington Gas Light Company (WGL) for a \$30 million rate increase (Case 9267). In addition, WGL's request for increased charges to implement an Accelerated Pipeline Replacement Plan (APRP) was also denied.

The Commission will, however, allow a lesser increase of \$8,408,128, which "will result in just and reasonable rates to the Company and its customers," as stated in the Order. This amount, which represents less than one-third of WGL's request, will result in an increase of \$1.27 in the average residential customer's monthly bill, effective November 14, 2011.

In its original application, WGL requested an increase in its operating revenue by 5.9 percent, or \$30 million. The application also contained an APRP, which included spending \$115 million over five years to replace piping infrastructure, with proposed cost recovery through a customer surcharge. Although the Commission does agree with WGL that "safe and reliable infrastructure is its highest priority," it maintains that "infrastructure investments do not justify a surcharge" to be imposed on customers.

The utility's application was filed on April 15, 2011, and the case included testimony from 21 witnesses, as well as evening hearings in Hyattsville, Frederick, and Rockville, Maryland, to provide opportunities for public comment. WGL is also required to file with the Commission revised tariffs reflecting the new rates. The complete 122-page Order No. 84475 can be found on the Commission's website, www.psc.state.md.us.

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