**A Summary of State Rate & Regulatory Activity**

***A Publication for AGA Members***

*This document is intended to provide AGA members with a summary of information relative to state rate and regulatory proceedings and other related matters on a timely basis. Additional information and archived versions of the Rate & Regulatory Update can be found at the following web link:* [*https://www.aga.org/rate-alerts*](https://www.aga.org/rate-alerts)

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| **Rate Case Data for this Period** |
| **Orders Issued** | 28 |
| **Average ROE**  | 9.73% |
| **Trends and Analysis** |
| The average ROE authorized gas utilities was 9.73% in the fourth quarter of 2019 compared to 9.94% in the third quarter. Twenty-two of the rate cases decided this quarter contained a definitive ROE determination. The average ROE authorized for gas utilities was 9.71% in cases decided during 2019, above the 9.59% in full-year 2018. Thirty-two gas cases included an ROE determination in 2019, versus 40 in 2018. Many of those determinations occurred in the final quarter.Requested and authorized ROEs have generally trended downward over the past several years. For all cases that were initiated thus far in 2019, the average requested ROE was 10.3% for gas companies versus 12.4% in 2000. This trend has been driven by a low-interest-rate environment perpetuated by the Federal Reserve’s quantitative easing strategy and regulators’ view that, due to the proliferation of expedited recovery mechanisms that reduce the business risk of the utilities, lower returns are warranted.While there are initiatives in a handful of states to build out gas infrastructure to serve areas where gas heating is not available, spending is primarily dedicated to activities aimed at improving service to existing customers through main replacement, storm restoration, reliability and system hardening, physical safety and security, cybersecurity and deployment of new technologies.Rising capital spending for non-revenue-producing investments is a major driver of the heightened level of rate case activity observed since 2010. Other factors include rising employee wages and benefits expenses, post-employment benefit costs, rising state and local taxes, and flat or declining per-customer usage due to energy conservation initiatives. The level of capital spending, persistent rate case activity and interest rate volatility has intensified the scrutiny given to authorized ROEs in recent years. While impacted by interest rate movements, authorized ROEs do not move in lock step with interest rates; there is generally a lag due to the amount of time it takes for a utility to put together a filing supporting higher interest rates and for the commission to complete its review of the case. In addition, rate cases look at the totality of the company's cost of service, and so, a change in interest rates may not be sufficient for the company to deem initiating a rate case worthwhile.Changes to the basic structure of the traditional process are being employed to mitigate regulatory lag, but these are often difficult to achieve, requiring legislative authority. Even in situations where the legislature is on board, stakeholders and commissioners may be slow to embrace the new concepts, and there may be unintended consequences, such as a reduction in authorized ROE — whether implicit or explicit — to reflect the perceived reduced risk associated with these mechanisms. Outside of changes to the rate case process, adjustment clauses and revenue decoupling mechanisms are increasingly being utilized as another method of reducing regulatory lag. However, an unintended consequence of the proliferation of these types of mechanisms is that intervenors use them as a means to justify lower ROEs as they are perceived to transfer risk from shareholders to ratepayers.One emerging issue to keep an eye on is the growing debate over potential stranded costs and stranded assets in the gas industry. While this debate has largely raged in the electric industry to date, as policy has begun shifting from a narrow focus on renewable resources to a broader focus on carbon-free resources, gas LDCs will increasingly face this issue. |
| **Other Regulatory Developments** |
| **Commission Changes & Updates****PA:** Ralph Yanora was sworn in as the newest member of the Pennsylvania Public Utility Commission on October 24. Yanora is serving a term that extends to April 2024.**MS**: Brandon Presley ran unopposed for the commissioner position that represents the Northern District. Brent Bailey defeated De'Keither Stamps and secured the Central District seat. Bailey will replace Cecil Brown who opted not to run for reelection. Dane Maxwell edged out Connie Moran for the Southern District position. Maxwell will replace Sam Britton who opted not to run for reelection.**NV:** On Dec. 26, 2019, Gov. Steve Sisolak appointed Commissioner Hayley Williamson as Chairwoman of the Public Utilities Commission of Nevada, effective Jan. 1, 2020. Williamson is serving a term that extends to September.**NC**: The North Carolina General Assembly on October 31 confirmed the appointments of state Sen. Floyd McKissick; PUC staff attorney Kimberly Duffley; and Jeff Hughes, director of the Environmental Finance Center at the University of North Carolina, to the North Carolina Utilities Commission.**NARUC**: On November 19 members of the National Association of Regulatory Utility Commissioners elected Mississippi Public Service Commission Chair Brandon Presley as the Association’s next president**NARUC**: On December 4, NARUC President Brandon Presley announced District of Columbia Public Service Commissioner Greer Gillis has been appointed as Co-Vice Chair for the NARUC Committee on Gas.**Other Noteworthy Regulatory Action** **The following companies initiated rate proceedings during Q4 2019:** Delmarva Power & Light Co. (DE); Columbia Gas of Kentucky (KY); Fitchburg Gas & Electric Light (MA); NSTAR Gas Co. (MA); Consumers Energy (MI); DTE Gas Co. (MI); CenterPoint Energy Resources (MN); New Mexico Gas Co. (NM); Northwest Natural Gas Co. (OR); Questar Gas Co. (WY).**M&A Activity****PPL Corp./Avangrid Inc. —** PPL Corp. and Avangrid have been in the spotlight recently as rumors swirl that the companies have been exploring strategic opportunities. These rumors stem from an Oct. 11 Financial Times report that PPL and Avangrid have held discussions to potentially combine all or parts of their businesses.**Aqua America Inc./Peoples Natural Gas Co. LLC** — In a recommended decision issued Oct. 28, a Pennsylvania Public Utility Commission administrative law judge concluded that the proposed, first-of-its-kind acquisition by Aqua America of Peoples Natural Gas and its Pennsylvania subsidiaries and a related nonunanimous settlement are "in the public interest" and "supported by substantial evidence."**Chesapeake Utilities Corp./Elkton Gas Co**. — The Maryland Public Service Commission review will be required for a proposal, announced Dec. 9, 2019, under which Chesapeake Utilities Corp. would purchase Elkton Gas Co. from South Jersey Industries Inc. for $15 million. State statute requires PSC approval of any transaction that results in an entity being granted the ability to exert substantial influence over a utility. |
| **Rate Case Decisions**  |
| **October 2, 2019** |
| **Company** | Northern Illinois Gas Co. |
| **State** | Illinois |
| **Docket Number** | [Docket No. 18-1775](https://www.icc.illinois.gov/docket/CaseDetails.aspx?no=18-1775) |
| **Approved Increase** | $167,700,000 |
| **Approved ROE** | 9.73% |
| **Intervenors** | Construction & General Laborers’ District Council of Chicago and Vicinity, Illinois Competitive Energy Association, Local Union No. 19 International Brotherhood Of Electrical Workers, AFL-CIO, Cargill, Inc., ArcelorMittal USA, LLC, Citizens Utility Board, Retail Energy Supply Association, Caterpillar Inc, ExxonMobil Power & Gas Services, Inc, Sterling Steel Company, and FCA US, LLC,  |
| **Case Summary** |
| On October 2, 2019 the Illinois Commerce Commission authorized NI-Gas a $167.7 million base rate hike premised upon a 9.73% return on equity (54.2% of capital) and a 7.2% return on a $3.447 billion rate base. The new rates are to take effect in the near future.The ICC permitted NI-Gas to implement a modified version of its proposed volume balancing adjustment rider to address the impact of changes in sales on the company's recovery of its fixed costs. Implementation of the rider puts NI-Gas on par with several of its Illinois gas utility peers that already use a similar decoupling mechanism.As reasons for the rate increase request, NI-Gas cited its commitment to “ensure long-term safety and reliability of service [and] ... to modernize ... facilities through substantial additional capital investment; ... the inflationary price increases in costs associated with that capital investment (e.g., equipment, materials, right-of-way acquisition costs, landscape and paving restoration costs, and labor costs)” and “planning for customers’ continued expectations to enhance their experience” of using the company’s utility service. |
| **October 3, 2019** |
| **Company** | People’s Natural Gas |
| **State** | Pennsylvania  |
| **Docket Number** | [R-2018-3006818](http://www.puc.pa.gov/about_puc/consolidated_case_view.aspx?Docket=R-2018-3006818) |
| **Approved Increase** | $59,500,000 |
| **Approved ROE** | N/A |
| **Intervenors** | Community Action Association of PA, CAUSE-PA, NGS/RESA, UWUA Local 612, Duquesne Light, PA Independent Oil and Gas Association, Snyder Brothers, Equitrans, Direct Energy Business LLC, Baker Gas, Marco, and MDS Energy Development. |
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| A partial rate settlement approve by the Pennsylvania Public Utility Commission on Oct. 3 consolidates the rate structures of Peoples Natural Gas Co. LLC, subsidiary Peoples TWP LLC, which does business as Peoples Gas Co. LLC, and affiliate Equitable Gas Co. LLC, all of which are collectively as PNG.The partial settlement adopted in the rate case resolved all revenue requirement issues in the case, but the parties had been unable to reach an agreement with respect to proposed changes to PNG's gas main extension program for underserved or unserved areas in the state.In the rate case, the PNG Companies had sought a $94.8 million increase. Both the stipulatedand the requested revenue requirements reflect the elimination of certain fees. As such, theapproved settlement provides for a $63.4 million base rate increase versus the companysupported$99.2 million base rate increase.The now-approved settlement is silent with respect to the rate of return and rate base valuesunderlying the stipulated increase. However, PNG is to use the equity return for gas utilitiesdetermined by the PUC each quarter based on the commission's Quarterly Report on UtilityEarnings, to calculate the revenue requirement under the distribution system improvementcharge, or DSIC.PNG will be permitted to include eligible plant additions in the DSIC once the total eligible DSICbalance exceed the levels projected by the company for the future test year ending October 31,2020, implying that the investments through that date are reflected in the revenue requirementin the instant case.The settlement addressed all revenue requirement issues in the case but left for litigationissues related to the company's proposal to expand the availability of natural gas service tocurrently unserved areas. Currently, PNG does not offer customers a standard mains footageallowance to connect to its natural gas system but rather evaluates extensions on an individualbasis.Under the company proposal in this case, PNG would install the first 150 feet of main linewithout charge to residential customers. There would be no rate credit if the extension wereless than 150 feet. The PUC declined to adopt a motion by Commissioner Place to requirePNG to annually file information with respect to the charges levied under the new updated mainextension program. |
| **October 8, 2019** |
| **Company** | Avista Corp. |
| **State** | Oregon |
| **Docket Number** | [Docket No. UG-366](https://apps.puc.state.or.us/edockets/docket.asp?DocketID=21845) |
| **Approved Increase** | $3,600,000 |
| **Approved ROE** | 9.4% |
| **Intervenors** | Citizens Utility Board of Oregon and Alliance of Western Energy Consumers |
|  **Case Summary** |
| Staff of the Washington Utilities and Transportation Commission and other intervenors filedtestimony in Avista Corp.'s pending rate case on October 3, with the staff supporting a two-stepgas rate increases totaling $9.4 million. The Public Counsel section of the Washington Office ofthe Attorney General recommended a one-step rate increases of $3.8 million.The rate increase, in Docket No. UG-190335 is made up of a $7.0 million, or 7.52%, base ratehike effective April 1, 2020, premised upon a 9.3% return on equity (48.5% of a regulatorycapital structure) and a 7.16% return on a year-end rate base valued at $386.8 million for acalendar 2018 test year, with limited pro forma adjustments, and an incremental $2.3 millionrate hike, effective April 1, 2021.While staff did not address decoupling, the AG noted that while they do not generally supportrevenue decoupling mechanisms, they do not recommend terminating Avista's decouplingmechanism. Instead, the AG recommended that the WUTC clarify the intent of the decoupling mechanism with regards to recovery of sales lost through energy efficiency. |
| **October 15, 2019** |
| **Company** | Washington Gas Light Co. |
| **State** | Maryland |
| **Docket Number** | Case No. 9605 |
| **Approved Increase** | $27,000,000 |
| **Approved ROE** | 9.70% |
| **Intervenors** | Apartment and Office Building Association of Metropolitan Washington, United States General Services Administration, Montgomery County, Maryland, Prince George's County, Maryland |
|  **Case Summary** |
| A proposed order issued by a Maryland public utility law judge in a rate case for Washington Gas Light Co. became a final order of the Maryland Public Service Commission on October 15, as the deadline for intervening parties to file appeals of the judge's recommendation passed.The now-approved settlement authorizes the company, or WGL, a $27 million, or 5%, gas distribution rate increase. The new rates are to become effective immediately. The agreement states that WGL "is authorized" a 9.7% return on equity (53.5% of a hypothetical capital structure) and a 7.42% overall return. However, the agreement specifically states that ROE and equity ratio "sets no precedent and has no broader applicability."The agreement is silent with respect to the rate base underlying the stipulated rate increase but specifies that the revenue requirement reflects the regulatory assets and related amortization schedules identified by WGL for environmental costs, billing system expenses and certain audit fees. In addition, the agreement calls for WGL to capitalize cloud computing project expenses.The settlement was signed by the company, the PSC staff, the Office of People's Counsel, or OPC, and the Apartment and Office Building Association of Metropolitan Washington. Montgomery County, Prince George's County and the U.S. General Services Administration, or GSA, intervened in the case but did not file direct testimony.While the two counties were not signatories to the settlement, they each said they had no objections to its terms. The GSA raised an objection with respect to the percentage increase to be allocated to the interruptible class, but the judge found the rate design included in the settlement to be appropriate. |
| **October 21, 2019** |
| **Company** | Northwest Natural Gas Co. |
| **State** | Washington |
| **Docket Number** | [Docket No. UG-181053](https://www.utc.wa.gov/docs/Pages/DocketLookup.aspx?FilingID=181053) |
| **Approved Increase** | $5,100,000 |
| **Approved ROE** | 9.40% |
| **Intervenors** | The Energy Project and Alliance of Western Energy Consumers,  |
|  **Case Summary** |
| The Washington Utilities and Transportation Commission authorized Northwest Natural Gas Co. a $5.1 million gas base rate increase in an order issued on Oct. 21, following the adoption of a partial settlement that addressed most of the issues in Docket No. UG-181053. New rates are to become effective Nov. 1.The rate increase is premised upon a 9.40% return on equity (49% of a hypothetical capital structure) and a 7.16% return on an average rate base valued at $173.7 million for an average test year ending Sept. 30, 2019.The WUTC's, order adopting the terms of the settlement includes the establishment of an environmental cost recovery mechanism, which will allow recovery of certain remediation costs associated with sites formerly operated by Northwest Natural's predecessor companies. The mechanism is subject to a "soft cap" such that its rates may not result in an increase to the company's Washington normalized revenues by more than 1% per year, after insurance proceeds have been fully used to offset deferred expenses.The WUTC rejected a separate partial settlement regarding a proposed decoupling mechanism, stating that the parties have not shown that "mechanism is tailored to address reductions in short-term earnings that are a direct result of the Company's energy conservation programs or other usage variation, rather than to recover costs that would be more appropriately recovered through other ratemaking mechanisms." The commission invited Northwest Natural to make a proposal that "properly separates energy usage volatility from revenue imbalance resulting from new customers" at a later date. |
| **October 30, 2019** |
| **Company** | Missouri Gas Energy (Spire West)  |
| **State** | Missouri |
| **Docket Number** | [GO-2019-0357](https://efis.psc.mo.gov/mpsc/Docket.asp?caseno=GO-2019-0357) |
| **Approved Increase** | $4,000,000 |
| **Approved ROE** | N/A |
| **Intervenors** |  |
|  **Case Summary** |
| The Missouri Public Service Commission has approved a change in the infrastructure system replacement surcharge (ISRS) for Spire West customers (formerly Missouri Gas Energy) of Spire Missouri, Inc. The ISRS first appeared on customer bills in April 2004.The ISRS adjustment reflects infrastructure replacement investments made by the natural gas company from February 1, 2019 through May 31, 2019, updated for the months of June and July. Spire, in this case, also requested recovery of infrastructure replacement costs for the period of October 1, 2017 through June 30, 2018 to the extent the costs associated with those investments were not approved for recovery in Case Nos. GO-2018-0309 and GO-2018-0310. These costs for natural gas pipeline replacements and relocations are not currently included in Spire’s rates.The current ISRS for residential customers of Spire West is $1.75 a month. As a result of this case, the ISRS will be adjusted and residential customers will pay $2.34 a month, an increase of $0.59 a month. The change is expected to take effect on November 16, 2019. |
| **October 30, 2019** |
| **Company** | Spire Missouri Inc. |
| **State** | Missouri |
| **Docket Number** | [GO-2019-0356](https://efis.psc.mo.gov/mpsc/Docket.asp?caseno=GO-2019-0356) |
| **Approved Increase** | $4,800,000 |
| **Approved ROE** | N/A |
| **Intervenors** |  |
|  **Case Summary** |
| The Missouri Public Service Commission has approved a change in the infrastructure system replacement surcharge (ISRS) for Spire East customers of Spire Missouri, Inc. The ISRS first appeared on customer bills in June 2004.The ISRS adjustment reflects infrastructure replacement investments made by the natural gas company from February 1, 2019 through May 31, 2019, updated for the months of June and July. Spire, in this case, also requested recovery of infrastructure replacement costs for the period of October 1, 2017 through June 30, 2018 to the extent the costs associated with those investments were not approved for recovery in Case Nos. GO-2018-0309 and GO-2018-0310. These costs for natural gas pipeline replacements and relocations are not currently included in Spire’s rates.The current ISRS for residential customers of Spire East is $1.01 a month. As a result of this case, the ISRS will be adjusted and residential customers will pay $1.58 a month, an increase of $0.57 a month. The change is expected to take effect on November 16, 2019. |
| **October 31, 2019** |
| **Company** | Piedmont Natural Gas Co. |
| **State** | North Carolina |
| **Docket Number** |  [Docket No. G-9 Sub 743](https://starw1.ncuc.net/NCUC/page/docket-docs/PSC/DocketDetails.aspx?DocketId=43828dbd-9ced-4abf-8fae-23bf66c71b50) |
| **Approved Increase** | $82,800,000 |
| **Approved ROE** | 9.7% |
| **Intervenors** | Sierra Club form letters via “customer” position statements |
|  **Case Summary** |
| The North Carolina Utilities Commission on Oct. 31 approved a settlement agreement authorizing Piedmont Natural Gas Co. Inc. a gas base rate increase of $28.1 million effective Nov. 1, 2019 with subsequent annual increases cumulative to a total of $82.8 million effective Nov. 1, 2022.Under an order issued, in Docket No. G-9 Sub 743, by the commission, PNG rates are set to increase $28.1 million beginning Nov. 1, 2019 and will increase an additional $36.7 million effective Nov. 1, 2020 and an additional $18.1 million on Nov. 1, 2022, for a total of $82.8 million annually, or 9.2% overall.The rate increases are calculated after the amortizations of regulatory liabilities associated with the return of tax savings through excess deferred income tax, or EDIT, riders and the deferral of revenues associated with the change in the federal corporate income tax rates. The rate increases are premised upon a 9.7% return on equity (52% of capital structure) stipulated in the settlement and a 7.14% overall return on a rate base valued at $3.45 billion for a calendar 2018 test year.The approved stipulation allows continuation of the Integrity Management Rider mechanism and establishes a new Distribution Integrity Management Program deferral mechanism for average annual pretax operations and maintenance expenses. |
| **October 31, 2019** |
| **Company** | Wisconsin Public Service Corp. |
| **State** | Wisconsin |
| **Docket Number** | [6690-UR-126](http://apps.psc.wi.gov/vs2017/dockets/content/detail.aspx?id=6690&case=UR&num=126) |
| **Approved Increase** | $9,600,000 |
| **Approved ROE** | 10% |
| **Intervenors** | Wisconsin Industrial Energy Group, Walmart, Clean Wisconsin, Roundy’s Supermarkets, Midwest Energy Procurement Solutions, WI Paper Council, Sierra Club, RENEW, Citizens Utility Board |
|  **Case Summary** |
| On October 31, the PSC approved a $9.6 million increase in gas base rates, reflecting a 10% return on equity (52.5% of capital structure). After the flow-back of tax benefits to ratepayers through a bill credit, WPS gas rates would increase about $4.3 million. The overall return and rate base value were not specified in either of the agreements.The PSC-approved settlement also stipulate that WPS will be subject to an earnings sharing mechanism where it would be permitted to retain 100% of earnings for the first 25 basis points of any earnings above its authorized ROE, the next 50 basis points of any earnings above the authorized ROE would be allocated equally to ratepayers and shareholders and 100% of any incremental excess earnings would be allocated to customers.WPS agreed to maintain residential and small commercial electric and natural gas monthly customer fixed charges at currently authorized levels for 2020 and 2021 under the settlements. |
| **October 31, 2019** |
| **Company** | Wisconsin Electric Power Co. |
| **State** | Wisconsin |
| **Docket Number** | [05-UR-109](http://apps.psc.wi.gov/vs2015/ERF_search/content/searchResult.aspx?UTIL=5&CASE=UR&SEQ=109&START=none&END=none&TYPE=none&SERVICE=none&KEY=none&NON=N) |
| **Approved Increase** | $6,000,000 |
| **Approved ROE** | 10% |
| **Intervenors** | Aurora Health Care, Roundy’s, Environmental Law & Policy Center, Vote Solar, Solar Energy Industries Association, Milwaukee Metropolitan Sewerage District, Charter Steel, City of Milwaukee, Wisconsin Industrial Energy Group, Walmart, Midwest Energy Procurement Solutions, WI Paper Council, Sierra Club, RENEW, Citizens Utility Board |
|  **Case Summary** |
| On October 31 the Public Service Commission of Wisconsin approved the rate settlement for WEPCO’s gas utility. the settlement provides for an increase in gas base rates of $6 million, or 1.6%, also premised upon a 10% return on equity (52.5% of capital structure). The PSC-approved settlement also stipulate that WEPCO will be subject to an earnings sharing mechanism where it would be permitted to retain 100% of earnings for the first 25 basis points of any earnings above its authorized ROE, the next 50 basis points of any earnings above the authorized ROE would be allocated equally to ratepayers and shareholders and 100% of any incremental excess earnings would be allocated to customers.WEPCO agreed to maintain residential and small commercial electric and natural gas monthly customer fixed charges at currently authorized levels for 2020 and 2021 under the settlements. |
| **October 31, 2019** |
| **Company** | Wisconsin Gas LLC |
| **State** | Wisconsin |
| **Docket Number** | [05-UR-109](http://apps.psc.wi.gov/vs2015/ERF_search/content/searchResult.aspx?UTIL=5&CASE=UR&SEQ=109&START=none&END=none&TYPE=none&SERVICE=none&KEY=none&NON=N) |
| **Approved Increase** | $1,400,000 |
| **Approved ROE** | 10.2% |
| **Intervenors** | Aurora Health Care, Roundy’s, Environmental Law & Policy Center, Vote Solar, Solar Energy Industries Association, Milwaukee Metropolitan Sewerage District, Charter Steel, City of Milwaukee, Wisconsin Industrial Energy Group, Walmart, Midwest Energy Procurement Solutions, WI Paper Council, Sierra Club, RENEW, Citizens Utility Board |
|  **Case Summary** |
| On October 31 the Public Service Commission of Wisconsin approved the rate settlement for Wisconsin Gas LLC. The approved settlement authorizes a $1.4 million rate increase, premised upon a 10.2% return on equity (52.5% of capital structure). The overall return and rate base value were not specified in either of the agreements.The PSC-approved settlement also stipulate that WG will be subject to an earnings sharing mechanism where it would be permitted to retain 100% of earnings for the first 25 basis points of any earnings above its authorized ROE, the next 50 basis points of any earnings above the authorized ROE would be allocated equally to ratepayers and shareholders and 100% of any incremental excess earnings would be allocated to customers.WG agreed to maintain residential and small commercial electric and natural gas monthly customer fixed charges at currently authorized levels for 2020 and 2021 under the settlements. |
| **November 7, 2019** |
| **Company** | Entergy New Orleans LLC |
| **State** | Louisiana |
| **Docket Number** | UD-18-07 |
| **Approved Increase** | -$100,000 |
| **Approved ROE** | 9.35% |
| **Intervenors** | 350 New Orleans, Alliance for Affordable Energy, Building Science Innovators, Crescent City Power Users Group, Justice and Beyond, Sierra Club |
|  **Case Summary** |
| The New Orleans City Council voted to reduce Entergy New Orleans LLC's electric and gas rates to decrease revenues by a combined $20.1 million annually, cut its return on equity and ordered a $1 million fine for reliability issues. $100,00 of the decrease will be born by the gas utility. The city council, which serves as the Entergy Corp. utility's regulator, on Nov. 7 approved a rate settlement to reduce Entergy New Orleans' ROE to 9.35%, from a proposed range of 10.25% to 11.25%. |

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| **November 13, 2019** |
| **Company** | New Jersey Natural Gas Co. |
| **State** | New Jersey |
| **Docket Number** | [GR19030420](https://www.nj.gov/bpu/pdf/boardorders/2019/20191113/11-13-19-2D.pdf) |
| **Approved Increase** | $62,200,000 |
| **Approved ROE** | 9.60% |
| **Intervenors** | U.S. Department of Defense/Federal Executive Agencies,  |
|  **Case Summary** |
| At a Nov. 13 public meeting, the New Jersey Board of Public Utilities voted unanimously to adopt a rate case settlement authorizing New Jersey Natural Gas Co. a $62.2 million, or 8.3%, overall gas rate increase, versus the $134.3 million increase supported by the company prior to the settlement. The new rates are to become effective for service rendered on and after Nov. 15, several months ahead of the date new rates would likely have been implemented had the settlement not been reached.The stipulated revenue requirement reflects a 9.6% return on equity (54% of a hypothetical capital structure) and a 6.95% return on year-end rate base valued at $1.765 billion for a test year ended Aug. 31, 2019.While silent with respect to the specific components of rate base, the agreement states that the company's or NJNG's investments made through June 30 under its Safe Acceleration and Facility Enhancement program and its New Jersey Reinvestment in System Enhancement program, known as NJ RISE are deemed prudent.In addition, the agreement states that the revenue requirement includes an adjustment for consolidated federal income taxes, but does not quantify the adjustment.The agreement also calls for NJNG to withdraw its requests for deferred accounting treatment for new information technology systems, known as ProjectNext (Docket No. GR18101096) and to initiate a Phase 2 proceeding to address ratemaking for the Southern Reliability Link.Parties to the agreement include NJNG, the New Jersey Division of Rate Counsel, the BPU staff and the U.S. Department of Defense/Federal Executive Agencies. |

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| **November 13, 2019** |
| **Company** | Elizabethtown Gas Co. |
| **State** | New Jersey |
| **Docket Number** | [GR19040486](https://www.nj.gov/bpu/pdf/boardorders/2019/20191113/11-13-19-2C.pdf) |
| **Approved Increase** | $34,000,000 |
| **Approved ROE** | 9.6% |
| **Intervenors** |  |
|  **Case Summary** |
| At its Nov. 13 open meeting, the New Jersey Board of Public Utilities voted unanimously to adopt a settlement authorizing Elizabethtown Gas Co. a $34 million, or 11.26%, gas rate increase, versus the $65.5 million increase supported by the company prior to the settlement.The new rates are to become effective for service rendered on and after Nov. 15, several weeks before new rates would likely have been implemented had the settlement not been reached. The procedural schedule had called for hearings to be held in mid-November. Thus under a fully litigated scenario, a decision was not likely to have been rendered until year-end 2019 at the earliest.The stipulated revenue requirement reflects a 9.6% return on equity (51.5% of a hypothetical capital structure) and a 7.131% return on year-end rate base valued at $988.3 million for a test year ended Aug. 31, 2019.Under the approved agreement, Elizabethtown Gas, or ETG, is to create a regulatory asset for incremental integrity management program costs for activities required by federal regulations. Recovery of any such asset, including a prudence review of the expenditures, would be addressed in ETG's next base rate case.The agreement and order provide for ETG to increase fixed monthly charges for residential customers to $9.38 from $7.68 and for small general service customers to $25.33 from $20.56.Parties to the agreement include ETG, the New Jersey Division of Rate Counsel and the BPU staff; there were no other parties to the proceeding. |

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| **November 21, 2019** |
| **Company** | Kansas Gas Service Co. |
| **State** | Kansas |
| **Docket Number** | [20‐KGSG‐090‐TAR](https://publicsquare.ks.gov/docs/default-source/default-document-library/notice_20191121.pdf?sfvrsn=b794bb19_0) |
| **Approved Increase** | $4,200,000 |
| **Approved ROE** | n/a |
| **Intervenors** |  |
|  **Case Summary** |
| On November 21, 2019 the Kansas Corporation Commission approved changes to Kansas Gas Service’s gas system reliability surcharge. The rate adjustments under this surcharge are calculated using a 9.0984% carrying charge that is “gross of tax.”  |

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| **November 26, 2019** |
| **Company** | Washington Gas Light Co. |
| **State** | Virginia |
| **Docket Number** | [PUR-2019-00142](http://www.scc.virginia.gov/DocketSearch#caseDetails/140046) |
| **Approved Increase** | $12,400,000 |
| **Approved ROE** | N/A |
| **Intervenors** |  |
|  **Case Summary** |
| On November 26, 2019 the Virginia Corporation Commission approved WGL’s request for approval of its SAVE rider for calendar year 2020. The SAVE rider pertains to infrastructure investments approved by the commission under an accelerated upgrade program. The revenue requirement reflects the 9.5% ROE that was to be used for “other regulatory purpose” as specified in a settlement that resolved the company’s base rate case, with an updated ROE of 7.347%. |

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| **December 6, 2019** |
| **Company** | SEMCO Energy Inc. |
| **State** | Michigan |
| **Docket Number** | [U-20479](https://mi-psc.force.com/s/case/500t000000FU4kWAAT/in-the-matter-of-the-application-of-semco-energy-gas-company-for-authority-to-increase-its-rates-for-the-distribution-and-transportation-of-natural-gas-and-for-other-relief) |
| **Approved Increase** | $19,900,000 |
| **Approved ROE** | 9.87% |
| **Intervenors** | Retail Energy Supply Association and Citizens Utility Board of Michigan,  |
|  **Case Summary** |
| The Michigan Public Service Commission on December 6 voted to approve a settlement agreement authorizing SEMCO ENERGY Gas Company a $19.9 million increase in gas base rates, premised upon a 9.87% return on equity, to help the company replacing aging gas mains and initiate an infrastructure reliability improvement program.The commission approved an overall capital structure for SEMCO with 54% common equity, with the understanding that the company will move toward a 50/50 capital structure in its next general rate case. Other rate case parameters, including rate base and overall return on rate base, were not immediately available.The settlement, which was entered into by SEMCO with intervenors and staff of the PSC on November 20, factors in all impacts of corporate tax cuts from the 2017 federal Tax Cuts and Jobs Act. Also as part of the settlement, SEMCO agreed not to seek another general rate case before January 1, 2023.In addition to the increase in rates, SEMCO requested approval to redesign the way in which it charges customers for natural gas service, implement an extended gas main replacement program and a new infrastructure reliability improvement program with related surcharges and implement an alternative revenue decoupling mechanism, or RDM. While the PSC on December 6 authorized the new infrastructure reliability improvement program it is unclear from the PSC order whether SEMCO was authorized use of the alternative RDM. |

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| **December 6, 2019** |
| **Company** | Columbia Gas of Virginia  |
| **State** | Virginia |
| **Docket Number** | [PUR-2019-00132](http://www.scc.virginia.gov/DocketSearch#caseDetails/140019) |
| **Approved Increase** | $6,100,000 |
| **Approved ROE** | 9.70% |
| **Intervenors** |  |
|  **Case Summary** |
| On December 6 the Virginia Corporation Commission approved the application of Columbia Gas of Virginia for its 2020 steps to advanced energy, SAVE, rider.In its application CVA proposed an increase in order to accelerate the replacement of bare steel pipelines, accommodate necessary large scale pipeline replacement projects, and address additional costs related to more refined work plans and cost projections. |

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| **December 11, 2019** |
| **Company** | Black Hills Gas Distribution  |
| **State** | Wyoming |
| **Docket Number** |  [30026-2-GR-19](https://dms.wyo.gov/ManageDocket.aspx?DocketId=TQ5mXgC7NMzBJnBPO3Ap6y%2btlvAuKnjY4hD0LxIl7do%3d) |
| **Approved Increase** | $13,200,000 |
| **Approved ROE** | 9.4% |
| **Intervenors** | Archer Energy and Federal Executive Agencies |
|  **Case Summary** |
| The Wyoming Public Service Commission approved the settlement agreement for Black Hills Corp.'s natural gas utility Black Hills Wyoming Gas LLC to consolidate its base rates and tariffs and for a general rate increase. The PSC approved a $13.2 million gas rate increase which will go into effect March 1, 2020.The rate increase reflects a 9.4% return on equity (50.23% of capital) and a 6.98% return on a year-end rate base valued at $354.4 million. The increase is based on a calendar 2018 test year with adjustments for known and measurable changes through Dec. 31, 2019.The agreement also permits Black Hills Wyoming to establish a Wyoming Integrity Rider, which would allow the utility to recover costs spent on integrity management programs. Total costs recovered through the WIR are limited to $40 million in project expenditures for the period ending December 31, 2023. Approximately $16 million must be related to the at-risk meter relocation and the yard line replacement program.  |

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| **December 17, 2019** |
| **Company** | Baltimore Gas & Electric Co. |
| **State** | Maryland |
| **Docket Number** |  |
| **Approved Increase** | $54,000,000 |
| **Approved ROE** | 9.75% |
| **Intervenors** |  |
|  **Case Summary** |
| On Sept. 26, 2019, the PSC authorized Citizens Energy a $143.5 million rate increase effective Oct. 1, 2019, premised upon a 9.90% return on equity (41.78% of a regulatory capital structure) and a 5.84% return on a rate base valued at $6.429 billion and a test year ending Sept. 30, 2020. |

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| **December 18, 2019** |
| **Company** | Interstate Power & Light Co. |
| **State** | Iowa |
| **Docket Number** |  [RPU-2019-0002](https://efs.iowa.gov/efs/ShowDocketSummary.do?docketNumber=RPU-2019-0002) |
| **Approved Increase** | $11,800,000 |
| **Approved ROE** | 9.60% |
| **Intervenors** | MidAmerican Energy Company and Iowa Business Energy Coalition,  |
|  **Case Summary** |
| The Iowa Utilities Board on December 18 issued a final order in the case of Alliant Energy Corp. subsidiary Interstate Power & Light Co.'s request for a gas base rate increase.Through its order, the Board approved a settlement that was reached in October, which called for an $11.8 million permanent increase that is about $9.2 million lower than the company's initial request in Docket No. RPU-2019-0002. The change in rates is based on a 9.6% return on equity (51% of capital) and a 7.02% return on an average rate base valued at $557.4 million for a test year ended December 31, 2020. |

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| **December 18, 2019** |
| **Company** | Columbia Gas of Maryland |
| **State** | Maryland |
| **Docket Number** | [Case No. 9609](https://www.psc.state.md.us/search-results/?q=9609&x.x=0&x.y=0&search=all&search=case) |
| **Approved Increase** | $1,000,000 |
| **Approved ROE** | 9.6% |
| **Intervenors** |  |
|  **Case Summary** |
| In an order issued on December 18, the Maryland Public Service Commission authorized Columbia Gas an estimated $950,401 natural gas distribution base rate increase, versus the $3.8 million, increase supported by the company in Case No. 9609.The order does not identify the final authorized revenue requirement, but approves certain adjustments to that specified in the proposed order issued by the Public Utility Law Judge on November 5. The company had sought a 10.95% ROE, while the PSC approved a 9.6% ROE; the lower recommended ROE accounts for about $1.5 million of the difference. |

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| **December 19, 2019** |
| **Company** | San Diego Gas & Electric |
| **State** | California  |
| **Docket Number** | [Application 19-04-SDG&E](https://www.sdge.com/rates-and-regulations/proceedings/2020-cost-of-capital) |
| **Approved Increase** | N/A |
| **Approved ROE** | 10.2% |
| **Intervenors** | The Utility Reform Network, Environmental Defense Fund, The Indicated Shippers, Energy Producers and Users Coalition, Utility Consumers' Action Network, Protect Our Communities, Institutional Equity Investors, County of San Diego, and Federal Executive Agencies |
|  **Case Summary** |
| The California Public Utilities Commission voted Dec. 19 to approve 2020 ratemaking cost of capital, or COC, parameters for the state's largest energy utilities, keeping returns on equity unchanged rather than increasing them to account for wildfire equity risk premiums requested by some utilities.The commission, or PUC, adopted the proposed decision of the administrative law judge. The judge concluded that keeping the ROE unchanged is "reasonably sufficient to assure confidence in the financial soundness of the utility while balancing the interests between shareholders and ratepayers." The judge's instant proposed order generally stated, "We find that the passage of AB 1054 and other investor supportive policies in California have mitigated wildfire exposure faced by California's utilities. Accordingly, the commission will not authorize a specific wildfire risk premium in the adopted ROE."For San Diego Gas & Electric Co. the PUC authorized a 10.2% return on equity (52% of capital) and 7.55% overall return for its electric and gas operations. SDG&E initially requested a 14.3% return on equity (56% of capital) and a 10.03% overall return for its electric and gas operations. Following the law judge's proposed decision Nov. 25, SDG&E further lowered its requested ROE to 10.4%. SDG&E is currently authorized a 10.2% ROE (52% of capital) and a 7.55% overall return. |

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| **December 19 2019** |
| **Company** | Southern California Gas Co. |
| **State** | California  |
| **Docket Number** | [Application 19-04-SCG](https://apps.cpuc.ca.gov/apex/f?p=401:57:0::NO) |
| **Approved Increase** | N/A |
| **Approved ROE** | 10.05% |
| **Intervenors** | The Utility Reform Network, Environmental Defense Fund, The Indicated Shippers, Energy Producers and Users Coalition, Utility Consumers' Action Network, Protect Our Communities, Institutional Equity Investors, County of San Diego, and Federal Executive Agencies |
|  **Case Summary** |
| The California Public Utilities Commission voted Dec. 19 to approve 2020 ratemaking cost of capital, or COC, parameters for the state's largest energy utilities, keeping returns on equity unchanged rather than increasing them to account for wildfire equity risk premiums requested by some utilities.The commission, or PUC, adopted the proposed decision of the administrative law judge. The judge concluded that keeping the ROE unchanged is "reasonably sufficient to assure confidence in the financial soundness of the utility while balancing the interests between shareholders and ratepayers." The judge's instant proposed order generally stated, "We find that the passage of AB 1054 and other investor supportive policies in California have mitigated wildfire exposure faced by California's utilities. Accordingly, the commission will not authorize a specific wildfire risk premium in the adopted ROE."For Southern California Gas Co., the PUC approved a 10.05% return on equity (52% of capital) and a 7.30% overall return. In its COC application, SCG requested an increase in gas distribution rates, premised upon a 10.7% return on equity (56% of capital) and 7.85% overall return. SCG is currently authorized a 10.05% return on equity (52% of capital) and a 7.34% overall return. |

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| **December 19, 2019** |
| **Company** | Atlanta Gas Light Co. |
| **State** | Georgia |
| **Docket Number** | [42315](https://psc.ga.gov/search/facts-docket/?docketId=42315) |
| **Approved Increase** | $65,300,000 |
| **Approved ROE** | 10.25% |
| **Intervenors** | IBEW Local 1997, International Paper Co., SouthStar Energy Services, Walton Energy, Georgia Watch, SCANA Energy Marketing, Gas South, Resource Supply Management, Texican Industrial Energy Marketing, and Fireside Natural Gas |
|  **Case Summary** |
| Georgia regulators have authorized a gas rate increase for Southern Co. subsidiary Atlanta Gas Light Co. alongside issuing new requirements for the natural gas utility to improve is customer service and safety measurements.The Georgia PSC on December 19 voted unanimously to approve a motion put forward by Commissioner Chuck Eaton that authorizes AGL a $65.3 million rate increase based on a 10.25% return on equity (56% of capital). Additionally, AGL's earnings will be evaluated against a ROE range of 10.05% to 10.45%, with the disposition of any earnings above 10.45% to be determined by the commission.The motion approved by the commission Dec. 19 also allows AGL to continue use of the Georgia Rate Adjustment Mechanism, or GRAM, with a 5% cap on any base rate increased requested in 2021. The motion also included a number of tariff revisions and requirements for the company to increase safety measures and improve its customer service, and includes the implementation of a new long-range planning tool. According to Southern's Form 8-K, the motion requires AGL to file a notice of proposed rulemaking by Jan. 31, 2020, "to integrate its existing capacity supply plan with an infrastructure delivery plan." This tool is intended to allow the PSC to examine and approve parameters for AGL's capital budgets — including related operations and maintenance spending — associated with multiyear outlooks; once rules are established, AGL will need to make subsequent long-range plan filings with the PSC.While the commission voted unanimously for the motion, Commissioner Trisha Pridemore issued a warning to the company as it looks toward its next rate proceedings. In her comments, she noted that the rate increase was higher than she would have liked, the filings lacked sufficient details, and the cost estimates were overly inflated.  |

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| **December 20, 2019** |
| **Company** | Washington Gas Light Co. |
| **State** | Virginia |
| **Docket Number** | [PUE-2018-00080](http://www.scc.virginia.gov/docketsearch#/caseDetails/138676) |
| **Approved Increase** | $13,200,000 |
| **Approved ROE** | 9.20% |
| **Intervenors** | Apartment and Office Building Association, Fairfax County |
|  **Case Summary** |
| On December 20, the Virginia State Corporation Commission issued an order authorizing Washington Gas Light to increase gas base distribution rates by $13.2 million to reflect the roll-in to base rates of revenues that are currently being collected through the Steps to Advance Virginia Energy rider.However, the commission found that no further increase in base rates is necessary because for the "rate year" ending December 31, 2019, WGL would fully recover its cost of service and earn an ROE of 8.86%, which is within the range of reasonableness of 8.7% to 9.7% adopted by the commission in this proceeding. Hence, customers will see no net overall rate change.In addition, the commission order calls for WGL to return to ratepayers over 12 months, with interest, a $25.5 million regulatory liability associated with the 2017 federal tax overhaul.Since interim rates were implemented in January that exceed the level now approved by the commission, refunds will be required. |

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| **December 26, 2019** |
| **Company** | Mountaineer Gas Co. |
| **State** | West Virginia |
| **Docket Number** | 19-0709-G-390P |
| **Approved Increase** | $12,400,000 |
| **Approved ROE** | 9.75% |
| **Intervenors** | Independent Oil and Gas Association of West Virginia |
|  **Case Summary** |
| On December 26 the West Virginia Public Service Commission approved a $12,420,000 increase in annual base rate revenues and a $3,619, 209 revenue requirement for the Infrastructure Replacement and Expansion Program (IMP) of Mountaineer Gas Company (Mountaineer), which represents a reduction from the current IREP rates of approximately $5.2 million. The base rate is premised on a ROE of 9.75% The net increase of approximately $7.22 million in rates from the base rate increase and IREP decrease will become effective for service rendered on or after January 1, 2020.  |

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