



Office of the People's Counsel District of Columbia

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Sandra Mattavous-Frye, Esq.
People's Counsel

October 24, 2011

Mr. Jesse P. Clay, Jr.
Acting Commission Secretary
Public Service Commission of
the District of Columbia
1333 H Street, NW, 2d Floor, West Tower
Washington, DC 20005

**Re: Formal Case No. 1091, In the Matter of the Accounting and
Depreciation Practices of Washington Gas Light Company**

Dear Mr. Clay:

Please find enclosed an original and fifteen (15) copies of the "Comments of the Office of the People's Counsel on Washington Gas Light Company's 2010 Depreciation Rate Study" in the above-referenced proceeding.

Please contact me if you have questions or need additional information.

Sincerely yours,

Barbara L. Burton
Assistant People's Counsel

Enclosure: as stated
cc: All parties of record

period. OPC submits this practice should not be allowed and, accordingly, WGL's 2010 Study should not be approved.

Additionally, OPC recommends the Commission conduct an independent study to investigate the growing problem of WGL collecting more in cost of removal than it uses in the affected accounting period. Based on its preliminary analysis of WGL's 2010 Study, OPC believes WGL's practice has resulted in an excessive depreciation reserve which includes a regulatory liability of more than \$90 to \$100 million attributable solely to the District of Columbia. OPC submits that an independent study conducted under the Commission's auspices would confirm both WGL's practice and the magnitude of the regulatory liability.

OPC submits the use of depreciation as a mechanism to shift revenue requirements between generations of ratepayers, and the resulting huge reserve imbalance WGL has accumulated can be avoided. In order to protect the public interest, and to allow WGL a reasonable recovery, OPC has developed a series of guiding principles and a rationale approach that if applied should produce a result that will be in the public interest.

Guiding principles for depreciation rates and expenses:

1. Depreciation rates and expense will reflect the accrual concept of accounting, which matches costs to the periods incurred.
2. Inflation is a cost incurred in an accounting period.
3. Including future inflation costs in depreciation rates and expenses that are charged to current periods is not accrual accounting.
4. No utility shall charge depreciation expense that includes future inflation costs to a current period, unless the utility must do so as required by law.
5. Utilities shall reclassify the at risk regulatory liabilities they have recorded in their general purpose financial statements prepared in conformance with Generally Accepted Accounting Principles (GAAP) out of their accumulated depreciation accounts and into account 254 – other regulatory liabilities.

6. Utilities shall estimate Service Value at its original cost and present value.
7. Utilities using the life span method shall meet the stringent requirements specified in the 1996 NARUC Depreciation Manual.
8. Utility depreciation rates shall be whole-life depreciation rates rather than remaining-life depreciation rates.

III. PROCEDURAL HISTORY

On August 8, 2011, WGL filed its 2010 Depreciation Rate Study pursuant to the Non-Unanimous Agreement of Stipulation and Full Settlement approved in Order No. 14694 (rel. Dec. 28, 2007). On September 9, 2011, the Commission issued Order No. 16539 and invited parties to comment on the 2010 Study. Comments are due Monday, October 24 and Reply Comments are due November 9, 2011. OPC propounded data requests to WGL on October 3, 2011 (*See*, Attachment A). The Company filed its Notices of Objection and Unavailability on October 11, 2011 (*See*, Attachment B). OPC reserves the right to supplement its initial comments based upon its review of the Company's responses to its data requests which are due October 24, 2011.

IV. DISCUSSION

A. WGL's 2006 Depreciation Rate Study

The 2010 Study was prepared using the same methods, procedures, and techniques used in the depreciation study WGL filed in Formal Case No. 1054.⁴ In Formal Case No. 1054, WGL filed Foster Associates' 2006 Depreciation Rate Study which was prepared by Dr. Ronald E. White.⁵ Dr. White's 2006 Depreciation Rate Study proposed a \$3.2 million depreciation expense

⁴ *Formal Case No. 1054, In the Matter of the Application of Washington Gas Light Company for Authority to Increase Existing Rates and Charges for Gas Service*, Exhibit WG (E)-2, filed December 21, 2006.

⁵ *Id.*, Direct Testimony of Ronald E. White, Exhibit WG (E), filed December 21, 2006.

reduction. Dr. White conducted statistical life studies to support his life and retirement pattern recommendations for each account. He used these estimated parameters to calculate average service lives and average remaining lives for December 31, 2005 plant balances. He also conducted a “traditional historical” net salvage analysis for each account to estimate future net salvage ratios for each account.

In addition, Dr. White found the recorded book depreciation reserve to be excessive. Dr. White consequently “redistributed” recorded book reserves among individual plant accounts, and then calculated precise straight-line remaining life depreciation rates using these various estimates and redistributions. Finally, Dr. White reintroduced the amortization proposals he introduced in Formal Case No. 1016⁶ using amortization periods approved in Maryland.

Foster Associates also prepared the 2010 Study which is the subject of these comments. The 2010 Study appears to propose a very slight decrease over the 2006 Study based on 2009 plant balances. It is worth noting however, that a change in the mix of plant balances could turn a decrease into an increase. Using the same approaches OPC witness Michael J. Majoros proposed in Formal Case No. 1054⁷ would result in a much greater reduction than WGL calculated in its new study. The Commission did not rule on OPC’s proposal when it approved the Non-Unanimous Agreement of Stipulation and Full Settlement (“Settlement Agreement”) wherein it accepted WGL’s depreciation rates.⁸ The Settlement Agreement required WGL to conduct a depreciation study six months after the moratorium period ended on WGL filing base

⁶ *Formal Case No. 1016, In the Matter of the Application of Washington Gas Light Company for Authority to Increase Existing Rates and Charges for Gas Service.*

⁷ *Id.*, Direct Testimony and Exhibits of Michael Majoros, Exhibit OPC (E), Office of the People’s Counsel of the District of Columbia, filed June 12, 2007.

⁸ *Formal Case No. 1054, Order No. 14694 (rel. December 28, 2007).*

rate applications.⁹ The 2010 Study fulfills that requirement of the Commission's Order. The scope of the 2010 Study includes the following activities: computation of average net salvage rates; estimation of projection lives and retirement dispersion patterns; analysis and redistribution of recorded depreciation reserves; and development of recommended accrual rates for each category.¹⁰

B. Description of WGL's 2010 Study

1. 2010 Study's net salvage approach is contrary to GAAP.

Once again, Foster Associates conducted a net salvage analysis that inherently charges current ratepayers for future inflation not yet incurred. The 2010 Study states, "The matching and expense recognition principles of accounting provide that the cost of an asset (or group of assets) should be allocated to operations over an estimate of the economic life of the asset in proportion to the consumption of service potential." Paradoxically, GAAP specifically precludes the 2010 Study's net salvage approach. Furthermore, OPC is not aware of any accounting principles, other than the 2010 Study's accounting principles that cite the "proportion to the consumption of service potential." OPC submits net salvage ratios should be based on their estimated present value to achieve the matching principles contemplated by accruals accounting.

The 2010 Study's inflated net salvage rates increase the proposed depreciation expense by \$4.2 million. While OPC does not have the most recent figures, the Office believes the actual net salvage incurred is far less than this figure.

2. Actuarial studies are not included to support the 2010 Study's proposals that the average service lives should not be changed.

⁹ *Id.* at ¶ 12.

¹⁰ *Formal Case No. 1091*, 2010 Study at 3.

The 2010 Study used “An actuarial life analysis program designed and developed by Foster Associates.”¹¹ However, the 2010 Study does not propose any changes to the projection lives and dispersion patterns that Dr. White proposed in Formal Case No. 1054. The 2010 Study indicates that new actuarial studies were performed, but the lives were not changed as a result. However, OPC notes Foster Associates did not include the new actuarial studies as a component of the 2010 Study. For this reason, OPC does not know if the actuarial studies, in fact, support the 2010 Study’s proposals.

3. Recorded book reserves show WGL is collecting more than it uses in a proceeding.

In the 2010 Study, Foster Associates analyzed and redistributed the recorded book. The analysis reveals that WGL’s 2009 book reserve exceeds its “theoretical” reserve by \$37.1 million or 45.2 percent. The excess reserves are significant by almost any regulatory accounting or ratemaking standard. This means that past depreciation rates have been excessive, and that even the 2010 Study’s proposed depreciation rates exceed what is necessary for WGL to recover its net invested capital. In fact, the 2010 Study fails to explain that WGL has a \$320 million regulatory liability resulting from the Company’s improper use of inflated net salvage ratios. Proper calculations of future net salvage estimates based on their present value would indicate a reserve excess more than \$90 million to \$100 million attributable solely to the District of Columbia.¹²

WGL’s SEC Form 10-K and 10-Q Reports show the following regulatory liabilities in compliance with SFAS No. 143:

¹¹ *Id.* at 10.

¹² *See*, Attachment C, Affidavit of Michael J. Majoros, O’Connor, Inc. (October 21, 2011).

Washington Gas Light
Regulatory Liabilities Resulting from Non-Legal Asset Retirement Obligations
(\$millions)

<u>Year Ended 9/30</u>	<u>Amount</u>
2003	\$230.7 ¹³
2004	251.7 ¹⁴
2005	272.1 ¹⁵
2006	268.9 ¹⁶
2007	285.2 ¹⁷
2008	306.0 ¹⁸
2009	319.2 ¹⁹
2010	323.1 ²⁰

This table clearly shows that the regulatory liability related to gas plant is continuing to grow. Based on this preliminary analysis of the 2010 Study, OPC urges the Commission to conduct an independent investigation of what appears as a Company practice of maintaining an excessive

¹³ Washington Gas Light Company, Securities and Exchange Commission Form 10-K (“SEC Form 10-K”) for the Fiscal Year Ended September 30, 2004, p. 74.

¹⁴ *Id.*

¹⁵ *Id.*, SEC Form 10-K for the Fiscal Year Ended September 30, 2006, p. 80.

¹⁶ *Id.*

¹⁷ *Id.*, SEC Form 10-K for the Fiscal Year Ended September 30, 2008, p. 73.

¹⁸ *Id.*, SEC Form 10-K for the Fiscal Year Ended September 30, 2009, p. 84.

¹⁹ *Id.*, SEC Form 10-K for the Fiscal Year Ended September 30, 2010, p. 83.

²⁰ *Id.*

depreciation reserve and the exact amount and magnitude of the regulatory liability.

Finally, the 2010 Study continues to advocate remaining life depreciation, which OPC submits buries all past mistakes in the recorded book depreciation reserve. OPC recommends whole-life depreciation, with separate recognition and handling of the huge reserve imbalance WGL has accumulated. While the Commission did not rule on OPC's proposal on whole-life depreciation when it approved the Settlement Agreement in Formal Case No. 1054 wherein it accepted WGL's depreciation rates,²¹ the Commission stated, "[n]one of the Settling parties waive any rights and may pursue an investigation or challenge of the Company's depreciation accrual rates or methods following the moratorium set forth in the Settlement Agreement."²² Accordingly, OPC proposes the Commission investigate the growing problem of WGL collecting more reserves than they are using in a proceeding.

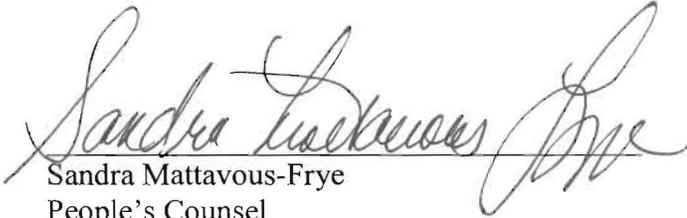
²¹ *Formal Case No. 1054*, Order No. 14694 at ¶ 12.

²² *Id.*

V. CONCLUSION

WHEREFORE, for the foregoing reasons, the Office of the People's Counsel requests the Commission adopt its recommendations herein with respect to WGL's 2010 Study.

Respectfully submitted,



Sandra Mattavous-Frye
People's Counsel
D.C. Bar No. 375833

Barbara L. Burton
Assistant People's Counsel
D.C. Bar No. 430524

OFFICE OF THE PEOPLE'S COUNSEL
FOR THE DISTRICT OF COLUMBIA
1133 15th Street, N.W., Suite 500
Washington, D.C. 20005-2710
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Dated: October 24, 2011



FC 1091, OPC Attachment A
October 24, 2011
Office of the People's Counsel
District of Columbia

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Sandra Mattavous-Frye, Esq.
People's Counsel

October 3, 2011

Cathy Thurston-Seignious, Esq.
Senior Attorney
Washington Gas Light Company
100 Constitution Avenue, N.W., 3rd Floor
Washington, D.C. 20080

**Re: Formal Case No. 1091, In the Matter of Accounting and Depreciation
Practices of Washington Gas Light Company**

Dear Ms. Thurston-Seignious:

Enclosed please find OPC Data Request No. 1 regarding WGL's 2010 Depreciation Rate Study filed August 8 2011 in the above-referenced proceeding.

Please contact me if you have questions regarding this matter.

Sincerely yours,

Barbara L. Burton
Assistant People's Counsel

Enclosures

cc: All parties of record

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

FORMAL CASE NO. 1091

**OFFICE OF THE PEOPLE'S COUNSEL
DATA REQUEST NO. 1**

TO WASHINGTON GAS LIGHT COMPANY

- 1-1. Please provide hard copies of all workpapers underlying the 2010 Depreciation Rate Study performed by Foster Associates, Inc. If this is considered to be voluminous, please also provide in PDF format.
- 1-2. If not provided elsewhere, please provide all workpapers related to the selection of the amortization periods for the General Plant accounts. If no workpapers exist, please identify all facts, data, rationale or other bases upon which Washington Gas relied in selecting each of the amortization periods of the General Plant accounts.
- 1-3. If not provided elsewhere, please provide hard copies of all of Dr. White's actuarial and semi-actuarial studies relating to Washington Gas, whether they were relied upon or not.
- 1-4. Please provide on CD all tabulations included in the 2011 Depreciation Rate Study and all data necessary to recreate in their entirety, all analyses and calculations performed for the preparation of the Study, including actuarial, semi-actuarial, gross salvage, cost of removal and net salvage analyses. Include on the diskette all statements and schedules attached to or included in the Study. **Please provide this and all electronic data with all formulae intact.** Please provide any record layouts necessary to interpret the data.
- 1-5. Did Dr. White use reciprocal, harmonic, or Equal Life Group (ELG0 weighting in any of his calculations? If yes, please provide all calculations using direct weighting. Also, provide this in hardcopy and on diskette.
- 1-6. If not provided elsewhere, please provide all workpapers relating to the allocation of plant and reserves between jurisdictions.
- 1-7. Please explain how long the Company has maintained its recorded reserves at the account level.
- 1-8. Does the Company maintain book reserves by jurisdiction?
- 1-9. Please identify, provide copies of, and explain all precedents upon which Dr. White relies to support his proposed redistribution of plant reserves.
- 1-10. Please provide all notes taken during any meetings with Company representatives or facility tours attended by Dr. White or any of his associates.

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

FORMAL CASE NO. 1091

**OFFICE OF THE PEOPLE'S COUNSEL
DATA REQUEST NO. 1**

TO WASHINGTON GAS LIGHT COMPANY

- 1-11. Please provide annual additions, retirements, adjustments, transfers and end of year balances for each plant account from the inception of the account. Provide in both hard copy and **electronic format (spreadsheet or ASCII text)**. Please provide any record layouts necessary to interpret the data. If the data is not available from the inception of the account, please provide the years that are available, i.e. from 1991 to the present.
- 1-12. Please provide the following annual amounts for all plant accounts for the last 20 years. If the requested data is not available for the last 20 years, please provide the data for as many years as are available. Please provide data in both hard copy and **electronic format (spreadsheet or ASCII text)**. If hard copy is considered too voluminous, please provide the data in electronic format only.
- a. Beginning and ending reserve balances,
 - b. Annual depreciation expense,
 - c. Annual retirements,
 - d. Annual cost of removal and gross salvage,
 - e. Annual third party reimbursements.
- 1-13. Please provide the 12/31/10 plant balances and reserve on an account-by-account basis.
- 1-14. Please provide sample copies of the Continuing Property Records from which the plant data used in the study were drawn. Please provide a sample for each account in the study.
- 1-15. Please provide the following information for all final retirements for the last 15 years. If requested data is not available for the last 15 years, please provide the data for as many years as are available. For purposes of this question the term "final retirement" means retirements of entire elements of plant, rather than components thereof, for which there was no subsequent replacement, either *in situ* or functionally in some other location. If the detail requested is not available, please estimate, for each account, the proportion of retired plant that is replaced *in situ* or functionally in some other location.
- a. Date of retirement
 - b. Amount of retirement
 - c. Account
 - d. Reason for retirement
 - e. Whether or not retirement was excluded from historical interim retirement rate studies.

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

FORMAL CASE NO. 1091

**OFFICE OF THE PEOPLE'S COUNSEL
DATA REQUEST NO. 1**

TO WASHINGTON GAS LIGHT COMPANY

- 1-16. Please provide the Company's retirement unit list.
- 1-17. Please explain, and provide examples of, the Company's retirement unit cost procedures for each account. Identify all changes to retirement unit costs which have occurred over the years.
- 1-18. Were any retirements, classified as sales or reimbursements, excluded to the extent to which the salvage receipt represents recovery of original cost? If yes:
 - a. Please provide, by account, the annual retirements and the related salvage that has been excluded for the 10 years ending 2010.
 - b. Please provide the Commission Orders and Decisions approving this practice.
 - c. Please demonstrate that the retirements were excluded from the life studies.
- 1-19. Please explain the Company's procedures for gross salvage and cost of removal. Also, please explain how cost of removal relating to replacements is allocated between cost of removal and new additions. Provide copies of actual source documents showing this allocation.
- 1-20. Please provide a summary of annual maintenance expense by USOA account for the last 20 years. If the requested data is not available for the last 20 years, please provide the data for as many years as are available. Please provide data in both hard copy and electronic format.
- 1-21. Please provide the Company's capital budget for the next five years. Please identify all retirements, replacements, new additions and cost of removal reflected in this budget.
- 1-22. Please provide the retirements cost of removal reflected in the Company's construction budget for the years 2003-2010 inclusive. Provide by account. If the information requested is not budgeted at the account level, please provide all estimates of removal costs, in whatever format, that are contained in the Company's construction budgets.
- 1-23. Please provide explanatory examples of the debits and credits relating to customer advances and contributions-in-aid of construction.
- 1-24. Please provide explanatory examples of the debits and credits relating to the accounts for which depreciation is charged to clearing accounts.
- 1-25. Please explain how the Company accounts for third party reimbursements and how they are reflected in Dr. White's depreciation study.

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

FORMAL CASE NO. 1091

**OFFICE OF THE PEOPLE'S COUNSEL
DATA REQUEST NO. 1**

TO WASHINGTON GAS LIGHT COMPANY

- 1-26. Please provide a copy of the Company's capitalization policy.
- 1-27. Identify and explain all Company programs which might affect plant lives.
- 1-28. Please provide all internal life extension studies prepared by the Company. Life extension refers to any program, maintenance of capital, designed to extend lives and/or increase capacity of its existing plants.
- 1-29. Please provide all internal and external audit reports, management letters, consultants' reports, etc. from the past five years, which address in any way the Company's property accounting and/or depreciation practices.
- 1-30. Please provide all correspondence between Dr. White and/or Foster Associates, Inc. and the Company which deals in any way with Dr. White's Study and/or retirement unit costs.
- 1-31. Please provide copies of all Board of Director's minutes and internal management meeting minutes in which the subject of the Company's depreciation rates or retirement unit costs were discussed.
- 1-32. Please provide copies of all internal correspondence in the past five years, which deals in any way with the Company's retirement unit costs, gas depreciation rates, and/or Dr. White's Study.
- 1-33. Please provide a copy of the most recent prior study and the Order(s) establishing the present depreciation rates in each jurisdiction.
- 1-34. Identify and explain all changes between the current study and the most recent prior study in each jurisdiction.
- 1-35. Please provide the derivation of the present depreciation rates in each jurisdiction. Please include all parameters used (average service life, curve, net salvage, remaining life, etc.).
- 1-36. Please provide the Company's FERC Form 2 reports for the years 2006 - 2010. If the requested information is considered voluminous, please provide the 2009 and 2010 FERC Form 2 reports and make the others available for on-site review.
- 1-37. Please reconcile the 12/31/2009 plant balances in the depreciation study with the plant balances shown in the Company's 12/31/09 FERC Form 2 report.

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

FORMAL CASE NO. 1091

**OFFICE OF THE PEOPLE'S COUNSEL
DATA REQUEST NO. 1**

TO WASHINGTON GAS LIGHT COMPANY

- 1-39. Please provide depreciation studies submitted to FERC during the last 10 years and all related correspondence including any approvals and disapprovals.
- 1-40. Please provide all FERC audit reports and the Company's responses thereto during the last 10 years.
- 1-41. Please provide copies of all correspondence between the Company and the FERC concerning any life extension plan or maintenance program, or any request to treat retirement units or minor items of property differently than as prescribed by the FERC USOA.
- 1-42. Please provide copies of all industry statistics available to the Company and Foster Associates, Inc. relating to gas company depreciation rates.
- 1-43. Please identify all industry statistics upon which Dr. White relied in formulating the depreciation proposals.
- 1-44. Please provide all internal studies and correspondence concerning the Company's implementation of FASB Statement No. 143, RM02-7-000 Order No. 631, and the AICPA's Statement of Position on Property, Plant and Equipment.
- 1-45. Please provide copies of all correspondence with the following parties regarding the Company's implementation of FASB Statement Nos. 143, RM02-7-000 Order No. 631, and the AICPA's Statement of Position on Property, Plant and Equipment;
 - a. External auditors and other public accounting firms.
 - b. Consultants
 - c. External counsel
 - d. Federal and State regulatory agencies
 - e. Internal Revenue Service
- 1-46. Regarding FASB Statement No. 143 and RM02-7-000 Order No. 631, on a plant account-by-plant account basis, please identify any and all legal obligations associated with the retirement of the assets contained in the account that result from the acquisition, construction, development and (or) the normal operation of the assets in the account. For the purposes of this question, "a legal obligation is an obligation that a party is required to settle as a result of an existing or enacted law, statute, ordinance, or written or oral contract under the doctrine of promissory estoppel."

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

FORMAL CASE NO. 1091

**OFFICE OF THE PEOPLE'S COUNSEL
DATA REQUEST NO. 1**

TO WASHINGTON GAS LIGHT COMPANY

- 1-47. For any asset retirement obligations identified in the immediately preceding question, please provide the "fair value" of the obligation. For the purposes of the question, fair value means "the amount at which that liability could be settled in a current [not future] transaction between willing parties, that is, other than in a forced or liquidation transaction." Please provide all assumptions and calculations underlying these amounts.
- 1-48. Please provide all manuals, guidelines, memoranda or other documentation that deals with the Company's policies with regard to the physical removal of retired mains and, separately, services from the ground as opposed to capping these pipes and leaving them in place.
- 1-49. Please explain the process by which the labor associated with Mains and Services replacement projects is split between the new asset and cost of removal.
- 1-50. Please provide a summary of the last 20 years of Mains and Services additions. Identify on a year-by-year basis the new additions vs. replacement additions. Please explain any anticipated changes to these proportions. If the requested information is not available, please provide the Company's best estimate of the proportion of new additions as opposed to replacement additions to the Mains and Services accounts during recent years.
- 1-51. Provide a summary of the last 20 years of Mains and Services retirements. Identify the portions of those retirements relating to replacements vs. final retirements. If the requested information is not available, please provide the Company's best estimate of the proportion of retirements relating to replacements vs. final retirements in the Mains and Services accounts during recent years.
- 1-52. Please identify and explain the three largest Mains and Services replacement projects currently taking place.
- 1-53. Please identify and explain the three smallest Mains and Services replacement projects currently taking place.
- 1-54. Please provide a summary of all Main and Service Replacement projects during 2008, 2009 and 2010. Separately identify all major costs, including the removal of the existing Main and/or Service.
- 1-55. Please provide a narrative explanation of a typical Main and Service replacement project.

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

FORMAL CASE NO. 1091

**OFFICE OF THE PEOPLE'S COUNSEL
DATA REQUEST NO. 1**

TO WASHINGTON GAS LIGHT COMPANY

- 1-56. Please identify all Main and Service additions during 2008, 2009 and 2010, and indicate whether they were replacements, new additions or other. Please explain the "other" category.
- 1-57. Please provide a sample work order showing the retirement of a gas main.
- 1-59. Provide any other information and data necessary to recreate Dr. White's 2011 Depreciation Rate Study.
- 1-60. Please provide copies of all of Dr. White's testimony, speeches, papers, articles and presentations during the last five years which address public utility depreciation rates, future net salvage, average net salvage, SFAS No. 143, FERC RM02-7, expensing and / or capitalization of net salvage.
- 1-61. If not provided in the responses to the questions above, please provide copies of the Company's responses to all depreciation-related data requests of other parties in Maryland, Washington DC, and Virginia.

CERTIFICATE OF SERVICE

Formal Case No. 1091

I hereby certify that on this 3rd day of October, 2011, a copy of the foregoing "Data Request No. 1 of the Office of the People's Counsel" was served via hand delivery, electronic mail or first class mail, postage prepaid on the following parties of record:

Dr. Phylicia Fauntleroy-Bowman
Public Service Commission of the
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1333 H Street, NW, 7th Floor, East Tower
Washington, DC 20005

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Chairperson
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of the District of Columbia
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Hon. Lori Murphy Lee
Commissioner
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Washington, DC 20005

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Senior Attorney
Washington Gas Light Company
101 Constitution Avenue, NW, 3rd Floor
Washington, DC 20080

Hon. Yvette Alexander, Chairperson
Committee on Public Services and Consumer
Affairs
Council of the District of Columbia
1350 Pennsylvania Avenue, NW, Suite 400
Washington, DC 20004


Barbara L. Burton
Assistant People's Counsel



FC 1091
OPC Attachment B
October 24, 2011

101 Constitution Avenue, NW
Washington, DC 20080
www.washingtongas.com

Direct Dial (202) 624-6105
Facsimile (202) 624-6012
cthurston-seignious@washgas.com

October 11, 2011

Barbara L. Burton
Assistant People's Counsel
Office of People's Counsel
of the District of Columbia
1133 –15th Street, NW, Suite 500
Washington, DC 20005

Re: **Formal Case No. 1091**
[WG NOTICE OF OBJECTION/UNAVAILABILITY TO OPC DR
No. 1]

Dear Ms. Burton:

Washington Gas Light Company hereby submits its Notice of Objection/Unavailability to the Office of the People's Counsel's Data Request No. 1 in the above referenced proceeding.

Sincerely,

A handwritten signature in cursive script, appearing to read "Cathy Thurston-Seignious".

Cathy Thurston-Seignious
Senior Attorney

Enclosures

pc: Per Certificate of Service
Commission Secretary

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

WASHINGTON GAS LIGHT COMPANY

FORMAL CASE 1091

WASHINGTON GAS'S RESPONSE
AND/OR NOTICE OF OBJECTION/UNAVAILABILITY TO
THE OFFICE OF PEOPLE'S COUNSEL

DATA REQUEST NO. 1

QUESTION NO. 1-11

- Q. Please provide annual additions, retirements, adjustments, transfers and end of year balances for each plant account from the inception of the account. Provide in both hard copy and electronic format (spreadsheet or ASCII text). Please provide any record layouts necessary to interpret the data. If the data is not available from the inception of the account, please provide the years that are available, i.e. from 1991 to the present.**

WASHINGTON GAS'S PARTIAL OBJECTION

OCTOBER 11, 2011

Washington Gas partially objects to this request on the grounds that the requested information is not available in the format requested. Washington Gas will provide responsive data in its possession.

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

WASHINGTON GAS LIGHT COMPANY

FORMAL CASE 1091

WASHINGTON GAS'S RESPONSE
AND/OR NOTICE OF OBJECTION/UNAVAILABILITY TO
THE OFFICE OF PEOPLE'S COUNSEL

DATA REQUEST NO. 1

QUESTION NO. 1-45 (a)-(e)

- Q. Please provide copies of all correspondence with the following parties regarding the Company's implementation of FASB Statement Nos. 143, RM02-7-000 Order No. 631, and the AICPA's Statement of Position on Property, Plant and Equipment;**
- a. External auditors and other public accounting firms.**
 - b. Consultants**
 - c. External counsel**
 - d. Federal and State regulatory agencies**
 - e. Internal Revenue Service**

WASHINGTON GAS'S PARTIAL OBJECTION

OCTOBER 11, 2011

Washington Gas partially objects to this request on the grounds that the request is overly broad. Washington Gas further objects on the grounds that the request for correspondence regarding AICPA's Statement of Position on Property, Plant and Equipment is unclear, in that this Statement was never adopted. The Company will provide correspondence related to the actual booking/implementation of FASB Statement No. 143 that is not otherwise restricted by non-disclosure agreements.

In addition, Washington Gas objects to subpart (c) of this request on the grounds that the information is protected by the attorney-client privilege and/or the attorney work product privilege.

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

WASHINGTON GAS LIGHT COMPANY

FORMAL CASE 1091

WASHINGTON GAS'S RESPONSE
AND/OR NOTICE OF OBJECTION/UNAVAILABILITY TO
THE OFFICE OF PEOPLE'S COUNSEL

DATA REQUEST NO. 1

QUESTION NO. 1-61

- Q. If not provided in the responses to the questions above, please provide copies of the Company's responses to all depreciation-related data requests of other parties in Maryland, Washington DC, and Virginia.**

WASHINGTON GAS'S PARTIAL OBJECTION

OCTOBER 11, 2011

Washington Gas partially objects to this request on the grounds that the requested information is voluminous and burdensome to produce. Washington Gas will make available for review at its offices data responses from the last depreciation-related proceedings in each jurisdiction to the present.

CERTIFICATE OF SERVICE

I, the undersigned counsel, hereby certify that on this 11th day of October 2011, I caused copies of the foregoing "Notice of Objection/Unavailability" to be delivered by hand, mail, postage-prepaid, or electronically to the following:

Richard D. Beverly, General Counsel
Public Service Commission
of the District of Columbia
7th Floor East, 1333 "H" Street, NW
Washington, DC 20005

Barbara L. Burton, Esquire
Office of the People's Counsel
of the District of Columbia
Suite 500, 1133 - 15th Street, NW
Washington, DC 20005


CATHY THURSTON-SEIGNIOUS

FORMAL CASE NO. 1091
OPC ATTACHMENT C
OCTOBER 24, 2011

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE DISTRICT OF COLUMBIA**

**IN THE MATTER OF ACCOUNTING
AND DEPRECIATION PRACTICES OF
WASHINGTON GAS LIGHT
COMPANY**

FORMAL CASE 1091

**AFFIDAVIT OF
MICHAEL J. MAJOROS, JR.
ON BEHALF OF THE
DISTRICT OF COLUMBIA OFFICE OF THE PEOPLES COUNSEL**

1 **I. INTRODUCTION**

2

3 My name is Michael J. Majoros, Jr. I am President of Snavely King Majoros &
4 O'Connor, Inc. ("Snavely King"), located at 8100 Professional Place, New Carrollton, MD
5 20785.

6 Snavely King is an economic consulting firm, founded in 1970 to conduct research on a
7 consulting basis into the rates, revenues, costs and economic performance of regulated firms and
8 industries. Among other things, we represent the consumer interests of government agencies,
9 businesses, in public utility rate matters. In addition to consumer cost and anti-trust issues, we
10 have provided our expertise in support of a clean environment and personal damages resulting
11 from discrimination in agricultural programs.

12 The firm has a professional staff of 10 economists, accountants, engineers, and cost
13 analysts. Most of our work involves the development, preparation and presentation of expert
14 witness testimony before Federal and state regulatory agencies. Over the course of our 40-year
15 history, members of the firm have participated in more than 1,000 proceedings before almost all
16 of the state commissions and all Federal commissions that regulate utilities or transportation
17 industries.

18 Appendix A is a summary of my qualifications and experience. Appendix B is a
19 tabulation of my appearances as an expert witness before state and Federal regulatory agencies.
20 I prepared this Affidavit at the request of the District of Columbia Office of Peoples' Counsel
21 ("OPC").

22 My Affidavit addresses Washington Gas Light Company's 2010 Depreciation Study filed
23 pursuant to the Non-Unanimous Agreement of Stipulation and Full Settlement approved on

1 December 28, 2007 in Formal Case No. 1054. Foster Associates (“Foster”) prepared the study.
2 OPC asked me to review the study and express an opinion regarding the reasonableness of the
3 study results. I and other members of my firm specialize in the field of public utility
4 depreciation. We have appeared as expert witnesses on this subject before the regulatory
5 commissions of almost every state in the country. I have testified in over 100 proceedings on the
6 subject of public utility depreciation and I have appeared on several occasions before the District
7 of Columbia Public Service Commission (“PSC” or “Commission”), including Formal Case No.
8 1054. I was OPC’s depreciation witness in that case.

9 Background: Foster’s 2010 depreciation study has its genesis in two prior cases: FC 1016
10 and FC 1054. In FC 1016, WGL proposed new depreciation rates based on Foster’s “2001
11 Depreciation Rate Study” and “2002 Technical Update.” WGL sought a \$1.9 million *pro forma*
12 increase in its annual depreciation expense. WGL also proposed to switch from depreciation
13 accounting to amortization accounting for selected general support asset categories: office
14 furniture, computer equipment, stores equipment, tools, shop and garage equipment, lab
15 equipment, communications equipment, telephone equipment, ENSCAN equipment, and
16 miscellaneous equipment.

17 OPC did not agree with WGL’s FC 1016 proposals. OPC’s depreciation witness, Charles
18 W. King, proposed to *reduce* depreciation expense by \$6.6 million. Mr. King’s proposal
19 reflected two major adjustments to Foster’s numbers: (1) he eliminated inflation from WGL’s
20 removal cost estimates, and (2) he eliminated rapid amortization of WGL’s ENSCAN
21 equipment.

22 In its November 10, 2003 FC 1016 Order No. 12986, the Commission found that WGL
23 should be allowed to adopt Foster’s depreciation proposals with the exception of the

1 amortization of selected general support assets.” The Commission was also “persuaded to accept
2 the old 1987 depreciation rates for general support assets including ENSCAN equipment.” The
3 Commission’s depreciation rulings resulted in a modest \$314,000 decrease to WGL’s existing
4 depreciation expense in that proceeding, relating primarily to retention of 1987 depreciation rates
5 for general support assets.

6 In Formal Case 1054, WGL filed Foster’s December 31, 2005 study proposing a \$3.2
7 million depreciation expense reduction. Foster conducted statistical life studies to support its life
8 and retirement pattern recommendations for each account. Foster used these estimated
9 parameters to calculate average service lives and average remaining lives for December 31, 2005
10 plant balances. Foster also conducted a “traditional historical” net salvage analysis to estimate
11 future net salvage ratios for each account.

12 In addition, Foster found the recorded book depreciation reserve to be excessive. It
13 “redistributed” recorded book reserves among individual plant accounts, and then calculated
14 precise straight-line remaining life depreciation rates using these various estimates and
15 redistributions. Finally, Foster reintroduced its FC No. 1016 amortization proposals using
16 amortization periods approved in Maryland.

17 Notwithstanding Foster’s proposed \$3.2 million reduction, OPC again did not agree with
18 Foster. OPC concluded that WGL’s current depreciation expense (from FC 1016) and its
19 proposed depreciation expense in FC 1054 were both excessive. As OPC’s witness, I explained
20 that Foster acknowledged that WGL’s current depreciation expense was excessive, but its
21 proposed \$3.2 million reduction was insufficient. I recommended a \$5.6 million depreciation
22 expense reduction. In addition, I recommended a \$6.7 million amortization of an \$80.6 million
23 regulatory liability stemming from prior excessive depreciation. In total, I proposed a \$12.1

1 million depreciation and amortization reduction.

2 **OPC's FC 1054 adjustments**

3 I proposed three distinct but related adjustments. Each of the adjustments related in some
4 way to one fundamental fact: that WGL's proposed depreciation expense reflected a faulty
5 implementation of accrual accounting concepts, which led WGL to over-recover amounts
6 associated with the future cost of removal of retired plant. Specifically, WGL's method of
7 estimating the amounts collected in rates now in order to fund the future removal of retired plant
8 dramatically over-collected the effect of inflation. Predictably, these errors led to excessive
9 depreciation expense and the accumulation of excessive depreciation reserves.

10 Setting aside other procedure differences explained in my first two adjustments, my third
11 adjustment involved the amortization and return to customers of the \$81 million regulatory
12 liability that WGL had reported pursuant to Financial Accounting Standard No. 143 ("SFAS
13 143")--a liability resulting from past over-estimates of the future cost of removing retired plant.

14 **FC 1054 Stipulation**

15 In Order No. 14694, dated December 28, 2007, the DC Commission approved a
16 settlement agreement in FC 1054. The settlement agreement accepted the Company's proposed
17 depreciation rates. The agreement also placed a moratorium on the Company submitting further
18 applications to increase rates and charges until January 1, 2011. Finally, the agreement requires
19 the Company to perform a depreciation study six months after the conclusion of the moratorium
20 period. WGL's 2010 Depreciation Rate Study, dated August 8, 2011 responds to that
21 requirement.

1 **WGL's 2010 Depreciation Study**

2 Foster prepared the 2010 study using the same methods, procedures, and techniques it
3 used in Formal Case No. 1054. The study appears to propose a very slight decrease based on
4 2009 plant balances. However, a change in the mix of plant could turn a decrease into an
5 increase. On the other hand, if Foster had used the same approaches I proposed in FC 1054, a
6 much greater reduction would have resulted, again, primarily due to the future inflation included
7 in Foster's proposed net salvage ratios.

8 Once again, Foster conducted a net salvage analysis that does not reflect accrual accounting
9 and inherently charges current ratepayers for un-incurred future inflation. Interestingly, Foster
10 states, "The matching and expense recognition principles of accounting provide that the cost of
11 an asset (or group of assets) should be allocated to operations over an estimate of the economic
12 life of the asset in proportion to the consumption of service potential." Paradoxically, Generally
13 Accepted Accounting Principles (GAAP) specifically precludes Foster's net salvage approach.
14 Furthermore, I am not aware of any accounting principles, other than Foster's accounting
15 principles that cite to the "proportion to the consumption of service potential." Net salvage
16 ratios should be based on their estimated present value to achieve the matching principles
17 contemplated by accrual accounting.

18 Foster's inflated net salvage rates increase its proposed depreciation expense \$4.2
19 million. While I do not have the most recent figures, I do know based on experience that the
20 actual net salvage incurred is far less than this figure.

21 Again, Foster analyzed and redistributed the recorded book reserves. Its analysis reveals that
22 WGL's 2009 book reserve exceeds its "theoretical" reserve by \$37.1 million or 45.2 percent.

1 The excess is significant by almost any regulatory accounting or ratemaking standard. It means
2 that even Foster acknowledges that past depreciation rates have been excessive. In fact, Foster
3 failed to explain that WGL has a \$320 million regulatory liability resulting from its improper use
4 of inflated net salvage ratios as shown on Attachment 1 to this Affidavit.¹

5 **Washington Gas Light**

6 **Regulatory Liabilities Resulting from Non-Legal AROs**

7 **(\$millions)²**

<u>Year Ended 9/30</u>	<u>Amount</u>
2003	\$230.7
2004	251.7
2005	272.1
2006	268.9
2007	285.2
2008	306.0
2009	319.2
2010	323.1

8

¹ WGL Balance Sheet from its 2010 Form 10K.

² 2003-2004 regulatory liabilities come from WGL's 2004 10-k, Pg. 74. 2005-2006 regulatory liabilities come from WGL's 2006 10-k, pg. 80. 2007 regulatory liabilities come from WGL's 2008 10-k, pg. 73. 2008 regulatory liabilities come from WGL's 2009 10-k, pg. 84. 2009-2010 regulatory liabilities come from WGL's 2010 10-k, pg. 83.

1 WGL's District of Columbia depreciable plant is approximately 30 percent of its total plant
2 in service. The DC portion of the \$320 million is approximately \$90 million to \$100 million,
3 hence, Foster's calculated \$37.1 million excess is vastly understated.

4 WGL's SEC Form 10-K and 10-Q Reports show the following regulatory liabilities in
5 compliance with SFAS No. 143:

6 The table above clearly shows that the regulatory liability related to gas plant is
7 continuing to grow. The only conclusion I can draw is that WGL's current and prior
8 depreciation rates are and have been excessive and the DC ratepayers have paid WGL far more
9 than they should have. I recommend another depreciation study reflecting proper accrual
10 accounting and addressing these major issues. However, the Commission should not allow
11 WGL to reduce its depreciation rates between rate cases. That would enable WGL to flow the
12 excessive depreciation in to its own income.

13

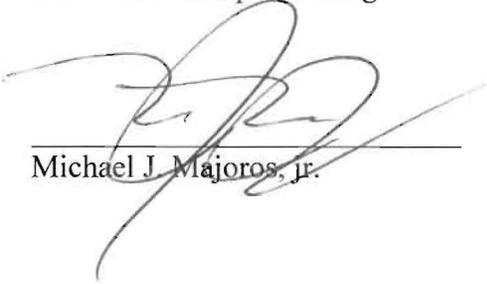
14

AFFIDAVIT

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County of)
State of) SS:

Michael J. Majoros Jr., being first duly sworn, deposes and states that he is the Michael J. Majoros, Jr. who proposed this Affidavit; that he is familiar with the contents thereof; that the facts set forth therein are true and correct to the best of his knowledge, information and belief; and that he does adopt the same as true as his sworn affidavit in this proceeding.



Michael J. Majoros, Jr.

Subscribed and sworn before me this 21 day of October, 2011.



Notary Public
My Commission Expires:

DONNA ANN JEFFRIES
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires July 14, 2015

Experience**Snavely King Majoros & O'Connor, Inc.****President (2010 to present)****Vice President and Treasurer (1988 to 2010)****Senior Consultant (1981-1987)**

Mr. Majoros provides consultation specializing in accounting, financial, and management issues. He has testified as an expert witness or negotiated on behalf of clients in more than one hundred thirty regulatory federal and state regulatory proceedings involving telephone, electric, gas, water, and sewerage companies. His testimony has encompassed a wide array of complex issues including taxation, divestiture accounting, revenue requirements, rate base, nuclear decommissioning, plant lives, and capital recovery. Mr. Majoros has also provided consultation to the U.S. Department of Justice and appeared before the U.S. EPA and the Maryland State Legislature on matters regarding the accounting and plant life effects of electric plant modifications and the financial capacity of public utilities to finance environmental controls. He has estimated economic damages suffered by black farmers in discrimination suits.

Van Scoyoc & Wiskup, Inc., Consultant (1978-1981)

Mr. Majoros conducted and assisted in various management and regulatory consulting projects in the public utility field, including preparation of electric system load projections for a group of municipally and cooperatively owned electric systems; preparation of a system of accounts and reporting of gas and oil pipelines to be used by a state regulatory commission; accounting system analysis and design for rate proceedings involving electric, gas, and telephone utilities. Mr. Majoros provided onsite management accounting and controllership assistance to a municipal electric and water utility. Mr. Majoros also assisted in an antitrust proceeding involving a major electric utility. He submitted expert testimony in FERC Docket No. RP79-12 (El Paso Natural Gas Company), and he co-authored a study entitled Analysis of Staff Study on Comprehensive Tax Normalization that was submitted to FERC in Docket No. RM 80-42.

Handling Equipment Sales Company, Inc.**Controller/Treasurer (1976-1978)**

Mr. Majoros' responsibilities included financial management, general accounting and reporting, and income taxes.

Ernst & Ernst, Auditor (1973-1976)

Mr. Majoros was a member of the audit staff where his responsibilities included auditing, supervision, business systems analysis, report preparation, and corporate income taxes.

University of Baltimore - (1971-1973)

Mr. Majoros was a full-time student in the School of Business.

During this period Mr. Majoros worked consistently on a part-time basis in the following positions: Assistant Legislative Auditor – State of Maryland, Staff Accountant – Robert M. Carney & Co., CPA's, Staff Accountant – Naron & Wegad, CPA's, Credit Clerk – Montgomery Wards.

Central Savings Bank, (1969-1971)

Mr. Majoros was an Assistant Branch Manager at the time he left the bank to attend college as a full-time student. During his tenure at the bank, Mr. Majoros gained experience in each department of the bank. In addition, he attended night school at the University of Baltimore.

Education

University of Baltimore, School of Business, B.S. –
Concentration in Accounting

Professional Affiliations

American Institute of Certified Public Accountants
Maryland Association of C.P.A.s
Society of Depreciation Professionals

Publications, Papers, and Panels

"Analysis of Staff Study on Comprehensive Tax Normalization," FERC Docket No. RM 80-42, 1980.

"Telephone Company Deferred Taxes and Investment Tax Credits – A Capital Loss for Ratepayers," Public Utility Fortnightly, September 27, 1984.

"The Use of Customer Discount Rates in Revenue Requirement Comparisons," Proceedings of the 25th Annual Iowa State Regulatory Conference, 1986

"The Regulatory Dilemma Created By Emerging Revenue Streams of Independent Telephone Companies," Proceedings of NARUC 101st Annual Convention and Regulatory Symposium, 1989.

"BOC Depreciation Issues in the States," National Association of State Utility Consumer Advocates, 1990 Mid-Year Meeting, 1990.

"Current Issues in Capital Recovery" 30th Annual Iowa State Regulatory Conference, 1991.

"Impaired Assets Under SFAS No. 121," National Association of State Utility Consumer Advocates, 1996 Mid-Year Meeting, 1996.

"What's 'Sunk' Ain't Stranded: Why Excessive Utility Depreciation is Avoidable," with James Campbell, Public Utilities Fortnightly, April 1, 1999.

"Local Exchange Carrier Depreciation Reserve Percents," with Richard B. Lee, Journal of the Society of Depreciation Professionals, Volume 10, Number 1, 2000-2001

"Rolling Over Ratepayers," Public Utilities Fortnightly, Volume 143, Number 11, November, 2005.

"Asset Management – What is it?" American Water Works Association, Pre-Conference Workshop, March 25, 2008.

Michael J. Majoros, Jr.

<u>Date</u>	<u>Jurisdiction / Agency</u>	<u>Docket</u>	<u>Utility</u>
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Federal Courts

2005	US District Court, Northern District of AL, Northwestern Division <u>55/56/57/</u>	CV 01-B-403-NW	Tennessee Valley Authority
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State Legislatures

2006	Maryland General Assembly <u>61/</u>	SB154	Maryland Healthy Air Act
2006	Maryland House of Delegates <u>62/</u>	HB189	Maryland Healthy Air Act

Federal Regulatory Agencies

1979	FERC-US <u>19/</u>	RP79-12	El Paso Natural Gas Co.
1980	FERC-US <u>19/</u>	RM80-42	Generic Tax Normalization
1996	CRTC-Canada <u>30/</u>	97-9	All Canadian Telecoms
1997	CRTC-Canada <u>31/</u>	97-11	All Canadian Telecoms
1999	FCC <u>32/</u>	98-137 (Ex Parte)	All LECs
1999	FCC <u>32/</u>	98-91 (Ex Parte)	All LECs
1999	FCC <u>32/</u>	98-177 (Ex Parte)	All LECs
1999	FCC <u>32/</u>	98-45 (Ex Parte)	All LECs
2000	EPA <u>35/</u>	CAA-00-6	Tennessee Valley Authority
2003	FERC <u>48/</u>	RM02-7	All Utilities
2003	FCC <u>52/</u>	03-173	All LECs
2003	FERC <u>53/</u>	ER03-409-000, ER03-666-000	Pacific Gas and Electric Co.

State Regulatory Agencies

1982	Massachusetts <u>17/</u>	DPU 557/558	Western Mass Elec. Co.
1982	Illinois <u>16/</u>	ICC81-8115	Illinois Bell Telephone Co.
1983	Maryland <u>8/</u>	7574-Direct	Baltimore Gas & Electric Co.
1983	Maryland <u>8/</u>	7574-Surrebuttal	Baltimore Gas & Electric Co.
1983	Connecticut <u>15/</u>	810911	Woodlake Water Co.
1983	New Jersey <u>1/</u>	815-458	New Jersey Bell Tel. Co.
1983	New Jersey <u>14/</u>	8011-827	Atlantic City Sewerage Co.
1984	Dist. Of Columbia <u>7/</u>	785	Potomac Electric Power Co.
1984	Maryland <u>8/</u>	7689	Washington Gas Light Co.
1984	Dist. Of Columbia <u>7/</u>	798	C&P Tel. Co.
1984	Pennsylvania <u>13/</u>	R-832316	Bell Telephone Co. of PA
1984	New Mexico <u>12/</u>	1032	Mt. States Tel. & Telegraph
1984	Idaho <u>18/</u>	U-1000-70	Mt. States Tel. & Telegraph

Michael J. Majoros, Jr.

1984	Colorado <u>11/</u>	1655	Mt. States Tel. & Telegraph
1984	Dist. Of Columbia <u>7/</u>	813	Potomac Electric Power Co.
1984	Pennsylvania <u>3/</u>	R842621-R842625	Western Pa. Water Co.
1985	Maryland <u>8/</u>	7743	Potomac Edison Co.
1985	New Jersey <u>1/</u>	848-856	New Jersey Bell Tel. Co.
1985	Maryland <u>8/</u>	7851	C&P Tel. Co.
1985	California <u>10/</u>	I-85-03-78	Pacific Bell Telephone Co.
1985	Pennsylvania <u>3/</u>	R-850174	Phila. Suburban Water Co.
1985	Pennsylvania <u>3/</u>	R850178	Pennsylvania Gas & Water Co.
1985	Pennsylvania <u>3/</u>	R-850299	General Tel. Co. of PA
1986	Maryland <u>8/</u>	7899	Delmarva Power & Light Co.
1986	Maryland <u>8/</u>	7754	Chesapeake Utilities Corp.
1986	Pennsylvania <u>3/</u>	R-850268	York Water Co.
1986	Maryland <u>8/</u>	7953	Southern Md. Electric Corp.
1986	Idaho <u>9/</u>	U-1002-59	General Tel. Of the Northwest
1986	Maryland <u>8/</u>	7973	Baltimore Gas & Electric Co.
1987	Pennsylvania <u>3/</u>	R-860350	Dauphin Cons. Water Supply
1987	Pennsylvania <u>3/</u>	C-860923	Bell Telephone Co. of PA
1987	Iowa <u>6/</u>	DPU-86-2	Northwestern Bell Tel. Co.
1987	Dist. Of Columbia <u>7/</u>	842	Washington Gas Light Co.
1988	Florida <u>4/</u>	880069-TL	Southern Bell Telephone
1988	Iowa <u>6/</u>	RPU-87-3	Iowa Public Service Company
1988	Iowa <u>6/</u>	RPU-87-6	Northwestern Bell Tel. Co.
1988	Dist. Of Columbia <u>7/</u>	869	Potomac Electric Power Co.
1989	Iowa <u>6/</u>	RPU-88-6	Northwestern Bell Tel. Co.
1990	New Jersey <u>1/</u>	1487-88	Morris City Transfer Station
1990	New Jersey <u>5/</u>	WR 88-80967	Toms River Water Company
1990	Florida <u>4/</u>	890256-TL	Southern Bell Company
1990	New Jersey <u>1/</u>	ER89110912J	Jersey Central Power & Light
1990	New Jersey <u>1/</u>	WR90050497J	Elizabethtown Water Co.
1991	Pennsylvania <u>3/</u>	P900465	United Tel. Co. of Pa.
1991	West Virginia <u>2/</u>	90-564-T-D	C&P Telephone Co.
1991	New Jersey <u>1/</u>	90080792J	Hackensack Water Co.
1991	New Jersey <u>1/</u>	WR90080884J	Middlesex Water Co.
1991	Pennsylvania <u>3/</u>	R-911892	Phil. Suburban Water Co.
1991	Kansas <u>20/</u>	176, 716-U	Kansas Power & Light Co.
1991	Indiana <u>29/</u>	39017	Indiana Bell Telephone
1991	Nevada <u>21/</u>	91-5054	Central Tele. Co. – Nevada
1992	New Jersey <u>1/</u>	EE91081428	Public Service Electric & Gas
1992	Maryland <u>8/</u>	8462	C&P Telephone Co.
1992	West Virginia <u>2/</u>	91-1037-E-D	Appalachian Power Co.
1993	Maryland <u>8/</u>	8464	Potomac Electric Power Co.
1993	South Carolina <u>22/</u>	92-227-C	Southern Bell Telephone
1993	Maryland <u>8/</u>	8485	Baltimore Gas & Electric Co.
1993	Georgia <u>23/</u>	4451-U	Atlanta Gas Light Co.

Michael J. Majoros, Jr.

1993	New Jersey <u>1/</u>	GR93040114	New Jersey Natural Gas. Co.
1994	Iowa <u>6/</u>	RPU-93-9	U.S. West – Iowa
1994	Iowa <u>6/</u>	RPU-94-3	Midwest Gas
1995	Delaware <u>24/</u>	94-149	Wilm. Suburban Water Corp.
1995	Connecticut <u>25/</u>	94-10-03	So. New England Telephone
1995	Connecticut <u>25/</u>	95-03-01	So. New England Telephone
1995	Pennsylvania <u>3/</u>	R-00953300	Citizens Utilities Company
1995	Georgia <u>23/</u>	5503-0	Southern Bell
1996	Maryland <u>8/</u>	8715	Bell Atlantic
1996	Arizona <u>26/</u>	E-1032-95-417	Citizens Utilities Company
1996	New Hampshire <u>27/</u>	DE 96-252	New England Telephone
1997	Iowa <u>6/</u>	DPU-96-1	U S West – Iowa
1997	Ohio <u>28/</u>	96-922-TP-UNC	Ameritech – Ohio
1997	Michigan <u>28/</u>	U-11280	Ameritech – Michigan
1997	Michigan <u>28/</u>	U-112 81	GTE North
1997	Wyoming <u>27/</u>	7000-ztr-96-323	US West – Wyoming
1997	Iowa <u>6/</u>	RPU-96-9	US West – Iowa
1997	Illinois <u>28/</u>	96-0486-0569	Ameritech – Illinois
1997	Indiana <u>28/</u>	40611	Ameritech – Indiana
1997	Indiana <u>27/</u>	40734	GTE North
1997	Utah <u>27/</u>	97-049-08	US West – Utah
1997	Georgia <u>28/</u>	7061-U	BellSouth – Georgia
1997	Connecticut <u>25/</u>	96-04-07	So. New England Telephone
1998	Florida <u>28/</u>	960833-TP et. al.	BellSouth – Florida
1998	Illinois <u>27/</u>	97-0355	GTE North/South
1998	Michigan <u>33/</u>	U-11726	Detroit Edison
1999	Maryland <u>8/</u>	8794	Baltimore Gas & Electric Co.
1999	Maryland <u>8/</u>	8795	Delmarva Power & Light Co.
1999	Maryland <u>8/</u>	8797	Potomac Edison Company
1999	West Virginia <u>2/</u>	98-0452-E-GI	Electric Restructuring
1999	Delaware <u>24/</u>	98-98	United Water Company
1999	Pennsylvania <u>3/</u>	R-00994638	Pennsylvania American Water
1999	West Virginia <u>2/</u>	98-0985-W-D	West Virginia American Water
1999	Michigan <u>33/</u>	U-11495	Detroit Edison
2000	Delaware <u>24/</u>	99-466	Tidewater Utilities
2000	New Mexico <u>34/</u>	3008	US WEST Communications, Inc.
2000	Florida <u>28/</u>	990649-TP	BellSouth -Florida
2000	New Jersey <u>1/</u>	WR30174	Consumer New Jersey Water
2000	Pennsylvania <u>3/</u>	R-00994868	Philadelphia Suburban Water
2000	Pennsylvania <u>3/</u>	R-0005212	Pennsylvania American Sewerage
2000	Connecticut <u>25/</u>	00-07-17	Southern New England Telephone
2001	Kentucky <u>36/</u>	2000-373	Jackson Energy Cooperative
2001	Kansas <u>38/39/40/</u>	01-WSRE-436-RTS	Western Resources
2001	South Carolina <u>22/</u>	2001-93-E	Carolina Power & Light Co.
2001	North Dakota <u>37/</u>	PU-400-00-521	Northern States Power/Xcel Energy

Michael J. Majoros, Jr.

2001	Indiana 29/41/	41746	Northern Indiana Power Company
2001	New Jersey 1/	GR01050328	Public Service Electric and Gas
2001	Pennsylvania 3/	R-00016236	York Water Company
2001	Pennsylvania 3/	R-00016339	Pennsylvania America Water
2001	Pennsylvania 3/	R-00016356	Wellsboro Electric Coop.
2001	Florida 4/	010949-EL	Gulf Power Company
2001	Hawaii 42/	00-309	The Gas Company
2002	Pennsylvania 3/	R-00016750	Philadelphia Suburban
2002	Nevada 43/	01-10001 &10002	Nevada Power Company
2002	Kentucky 36/	2001-244	Fleming Mason Electric Coop.
2002	Nevada 43/	01-11031	Sierra Pacific Power Company
2002	Georgia 27/	14361-U	BellSouth-Georgia
2002	Alaska 44/	U-01-34,82-87,66	Alaska Communications Systems
2002	Wisconsin 45/	2055-TR-102	CenturyTel
2002	Wisconsin 45/	5846-TR-102	TelUSA
2002	Vermont 46/	6596	Citizen's Energy Services
2002	North Dakota 37/	PU-399-02-183	Montana Dakota Utilities
2002	Kansas 40/	02-MDWG-922-RTS	Midwest Energy
2002	Kentucky 36/	2002-00145	Columbia Gas
2002	Oklahoma 47/	200200166	Reliant Energy ARKLA
2002	New Jersey 1/	GR02040245	Elizabethtown Gas Company
2003	New Jersey 1/	ER02050303	Public Service Electric and Gas Co.
2003	Hawaii 42/	01-0255	Young Brothers Tug & Barge
2003	New Jersey 1/	ER02080506	Jersey Central Power & Light
2003	New Jersey 1/	ER02100724	Rockland Electric Co.
2003	Pennsylvania 3/	R-00027975	The York Water Co.
2003	Pennsylvania /3	R-00038304	Pennsylvania-American Water Co.
2003	Kansas 20/ 40/	03-KGSG-602-RTS	Kansas Gas Service
2003	Nova Scotia, CN 49/	EMO NSPI	Nova Scotia Power, Inc.
2003	Kentucky 36/	2003-00252	Union Light Heat & Power
2003	Alaska 44/	U-96-89	ACS Communications, Inc.
2003	Indiana 29/	42359	PSI Energy, Inc.
2003	Kansas 20/ 40/	03-ATMG-1036-RTS	Atmos Energy
2003	Florida 50/	030001-E1	Tampa Electric Company
2003	Maryland 51/	8960	Washington Gas Light
2003	Hawaii 42/	02-0391	Hawaiian Electric Company
2003	Illinois 28/	02-0864	SBC Illinois
2003	Indiana 28/	42393	SBC Indiana
2004	New Jersey 1/	ER03020110	Atlantic City Electric Co.
2004	Arizona 26/	E-01345A-03-0437	Arizona Public Service Company
2004	Michigan 27/	U-13531	SBC Michigan
2004	New Jersey 1/	GR03080683	South Jersey Gas Company
2004	Kentucky 36/	2003-00434,00433	Kentucky Utilities, Louisville Gas & Electric
2004	Florida 50/ 54/	031033-EI	Tampa Electric Company

Michael J. Majoros, Jr.

2004	Kentucky 36/	2004-00067	Delta Natural Gas Company
2004	Georgia 23/	18300, 15392, 15393	Georgia Power Company
2004	Vermont 46/	6946, 6988	Central Vermont Public Service Corporation
2004	Delaware 24/	04-288	Delaware Electric Cooperative
2004	Missouri 58/	ER-2004-0570	Empire District Electric Company
2005	Florida 50/	041272-EI	Progress Energy Florida, Inc.
2005	Florida 50/	041291-EI	Florida Power & Light Company
2005	California 59/	A.04-12-014	Southern California Edison Co.
2005	Kentucky 36/	2005-00042	Union Light Heat & Power
2005	Florida 50/	050045 & 050188-EI	Florida Power & Light Co.
2005	Kansas 38/ 40/	05-WSEE-981-RTS	Westar Energy, Inc.
2006	Delaware 24/	05-304	Delmarva Power & Light Company
2006	California 59/	A.05-12-002	Pacific Gas & Electric Co.
2006	New Jersey 1/	GR05100845	Public Service Electric and Gas Co.
2006	Colorado 60/	06S-234EG	Public Service Co. of Colorado
2006	Kentucky 36/	2006-00172	Union Light, Heat & Power
2006	Kansas 40/	06-KGSG-1209-RTS	Kansas Gas Service
2006	West Virginia 2/	06-0960-E-42T, 06-1426-E-D	Allegheny Power
2006	West Virginia 2/	05-1120-G-30C, 06-0441-G-PC, et al.	Hope Gas, Inc. and Equitable Resources, Inc.
2007	Delaware 24/	06-284	Delmarva Power & Light Company
2007	Kentucky 36/	2006-00464	Atmos Energy Corporation
2007	Colorado 60/	06S-656G	Public Service Co. of Colorado
2007	California 59/	A.06-12-009, A.06-12-010	San Diego Gas & Electric Co., and Southern California Gas Co.
2007	Kentucky 36/	2007-00143	Kentucky-American Water Co.
2007	Kentucky 36/	2007-00089	Delta Natural Gas Co.
2008	Kansas 40/	08-ATMG-280-RTS	Atmos Energy Corporation
2008	New Jersey 1/	GR07110889	New Jersey Natural Gas Co.
2008	North Dakota 37/	PU-07-776	Northern States Power/Xcel Energy
2008	Pennsylvania 3/	A-2008-2034045 et al	UGI Utilities, Inc. / PPL Gas Utilities Corp.
2008	Washington 63/	UE-072300, UG-072301	Puget Sound Energy
2008	Pennsylvania 3/	R-2008-2032689	Pennsylvania-American Water Co. - Coatesville
2008	New Jersey 1/	WR08010020	NJ American Water Co.
2008	Washington 63/ 64/	UE-080416, UG-080417	Avista Corporation
2008	Texas 65/	473-08-3681, 35717	Oncor Electric Delivery Co.
2008	Tennessee 66/	08-00039	Tennessee-American Water Co.
2008	Kansas	08-WSEE-1041-RTS	Westar Energy, Inc.
2009	Kentucky 36/	2008-00409	East Kentucky Power Coop.

Michael J. Majoros, Jr.

2009	Indiana 29/	43501	Duke Energy Indiana
2009	Indiana 29/	43526	Northern Indiana Public Service Co.
2009	Michigan 33/	U-15611	Consumers Energy Company
2009	Kentucky 36/	2009-00141	Columbia Gas of Kentucky
2009	New Jersey 1/	GR00903015	Elizabethtown Gas Company
2009	District of Columbia 7/	FC 1076	Potomac Electric Power
2009	New Jersey 1/	GR09050422	Public Service Gas & Electric Co.
2009	Kentucky 36/	2009-00202	Duke Energy Kentucky Co.
2009			
2010	Kentucky 36/	2009-00549	Louisville Gas and Electric Co.
2010	Kentucky 36/	2009-00548	Kentucky Utilities Co.
2010	New Jersey	GR10010035	Southern New Jersey Gas Co.

Michael J. Majoros, Jr.

**PARTICIPATION AS NEGOTIATOR IN FCC TELEPHONE DEPRECIATION
RATE REPRESRIPTION CONFERENCES**

<u>COMPANY</u>	<u>YEARS</u>	<u>CLIENT</u>
Diamond State Telephone Co. <u>24/</u>	1985 + 1988	Delaware Public Service Comm
Bell Telephone of Pennsylvania <u>3/</u>	1986 + 1989	PA Consumer Advocate
Chesapeake & Potomac Telephone Co. - Md. <u>8/</u>	1986	Maryland People's Counsel
Southwestern Bell Telephone – Kansas <u>20/</u>	1986	Kansas Corp. Commission
Southern Bell – Florida <u>4/</u>	1986	Florida Consumer Advocate
Chesapeake & Potomac Telephone Co.-W.Va. <u>2/</u>	1987 + 1990	West VA Consumer Advocate
New Jersey Bell Telephone Co. <u>1/</u>	1985 + 1988	New Jersey Rate Counsel
Southern Bell - South Carolina <u>22/</u>	1986 + 1989 + 1992	S. Carolina Consumer Advocate
GTE-North – Pennsylvania <u>3/</u>	1989	PA Consumer Advocate

Michael J. Majoros, Jr.

**PARTICIPATION IN PROCEEDINGS WHICH WERE
SETTLED BEFORE TESTIMONY WAS SUBMITTED**

<u>STATE</u>	<u>DOCKET NO.</u>	<u>UTILITY</u>
Maryland <u>8/</u>	7878	Potomac Edison
Nevada <u>21/</u>	88-728	Southwest Gas
New Jersey <u>1/</u>	WR90090950J	New Jersey American Water
New Jersey <u>1/</u>	WR900050497J	Elizabethtown Water
New Jersey <u>1/</u>	WR91091483	Garden State Water
West Virginia <u>2/</u>	91-1037-E	Appalachian Power Co.
Nevada <u>21/</u>	92-7002	Central Telephone - Nevada
Pennsylvania <u>3/</u>	R-00932873	Blue Mountain Water
West Virginia <u>2/</u>	93-1165-E-D	Potomac Edison
West Virginia <u>2/</u>	94-0013-E-D	Monongahela Power
New Jersey <u>1/</u>	WR94030059	New Jersey American Water
New Jersey <u>1/</u>	WR95080346	Elizabethtown Water
New Jersey <u>1/</u>	WR95050219	Toms River Water Co.
Maryland <u>8/</u>	8796	Potomac Electric Power Co.
South Carolina <u>22/</u>	1999-077-E	Carolina Power & Light Co.
South Carolina <u>22/</u>	1999-072-E	Carolina Power & Light Co.
Kentucky <u>36/</u>	2001-104 & 141	Kentucky Utilities, Louisville Gas and Electric
Kentucky <u>36/</u>	2002-485	Jackson Purchase Energy Corporation
Kentucky <u>36/</u>	2009-00202	Duke Energy Kentucky
New Jersey <u>1/</u>	ER09080664	Atlantic City Electric Co.
New Jersey <u>1/</u>	ER09080668	Rockland Electric Co.

Michael J. Majoros, Jr.

Clients

<u>1/</u> New Jersey Rate Counsel/Advocate	<u>34/</u> New Mexico Attorney General
<u>2/</u> West Virginia Consumer Advocate	<u>35/</u> Environmental Protection Agency Enforcement Staff
<u>3/</u> Pennsylvania OCA	<u>36/</u> Kentucky Attorney General
<u>4/</u> Florida Office of Public Advocate	<u>37/</u> North Dakota Public Service Commission
<u>5/</u> Toms River Fire Commissioner's	<u>38/</u> Kansas Industrial Group
<u>6/</u> Iowa Office of Consumer Advocate	<u>39/</u> City of Wichita
<u>7/</u> D.C. People's Counsel	<u>40/</u> Kansas Citizens' Utility Rate Board
<u>8/</u> Maryland's People's Counsel	<u>41/</u> NIPSCO Industrial Group
<u>9/</u> Idaho Public Service Commission	<u>42/</u> Hawaii Division of Consumer Advocacy
<u>10/</u> Western Burglar and Fire Alarm	<u>43/</u> Nevada Bureau of Consumer Protection
<u>11/</u> U.S. Dept. of Defense	<u>44/</u> GCI
<u>12/</u> N.M. State Corporation Comm.	<u>45/</u> Wisc. Citizens' Utility Rate Board
<u>13/</u> City of Philadelphia	<u>46/</u> Vermont Department of Public Service
<u>14/</u> Resorts International	<u>47/</u> Oklahoma Corporation Commission
<u>15/</u> Woodlake Condominium Association	<u>48/</u> National Assn. of State Utility Consumer Advocates
<u>16/</u> Illinois Attorney General	<u>49/</u> Nova Scotia Utility and Review Board
<u>17/</u> Mass Coalition of Municipalities	<u>50/</u> Florida Office of Public Counsel
<u>18/</u> U.S. Department of Energy	<u>51/</u> Maryland Public Service Commission
<u>19/</u> Arizona Electric Power Corp.	<u>52/</u> MCI
<u>20/</u> Kansas Corporation Commission	<u>53/</u> Transmission Agency of Northern California
<u>21/</u> Public Service Comm. – Nevada	<u>54/</u> Florida Industrial Power Users Group
<u>22/</u> SC Dept. of Consumer Affairs	<u>55/</u> Sierra Club
<u>23/</u> Georgia Public Service Comm.	<u>56/</u> Our Children's Earth Foundation
<u>24/</u> Delaware Public Service Comm.	<u>57/</u> National Parks Conservation Association, Inc.
<u>25/</u> Conn. Ofc. Of Consumer Counsel	<u>58/</u> Missouri Office of the Public Counsel
<u>26/</u> Arizona Corp. Commission	<u>59/</u> The Utility Reform Network
<u>27/</u> AT&T	<u>60/</u> Colorado Office of Consumer Counsel
<u>28/</u> AT&T/MCI	<u>61/</u> MD State Senator Paul G. Pinsky
<u>29/</u> IN Office of Utility Consumer Counselor	<u>62/</u> MD Speaker of the House Michael Busch
<u>30/</u> Unitel (AT&T – Canada)	<u>63/</u> Washington Office of Public Counsel
<u>31/</u> Public Interest Advocacy Centre	<u>64/</u> Industrial Customers of Northwestern Utilities
<u>32/</u> U.S. General Services Administration	<u>65/</u> Steering Committee of Cities
<u>33/</u> Michigan Attorney General	<u>66/</u> City of Chattanooga

CERTIFICATE OF SERVICE

Formal Case No. 1027, In the Matter of the Emergency Petition of the Office of the People's Counsel for An Expedited Investigation of the Distribution System of Washington Gas Light Company

I hereby certify that on this 24th day of October, 2011, a copy of the foregoing "Comments of the Office of the People's Counsel on Washington Gas Light Company's 2010 Depreciation Rate Study" was served on the following parties of record by hand delivery, electronic mail, or first class mail, postage prepaid:

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