

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2018 Legislative Session

Resolution No. CR-10-2018
Proposed by Council Member Davis
Introduced by Council Member Davis
Co-Sponsors _____
Date of Introduction February 27, 2018

RESOLUTION

1 A RESOLUTION concerning

2 WGL Holdings, Inc., (WGL), Washington Gas Light Company, (Washington Gas),
3 and AltaGas, Ltd. Merger and Settlement Agreement

4 For the purpose of recommending that the Maryland Public Service Commission
5 (“Commission”) approve the merger of WGL Holdings, Inc. (“WGL”) and Washington Gas
6 Light Company (“Washington Gas”) with AltaGas, Ltd. (“AltaGas”), including the terms of the
7 Settlement Agreement and Stipulation (“Settlement Agreement”) by and among WGL,
8 Washington Gas, AltaGas, Prince George’s County, Montgomery County and other settling
9 parties.

10 WHEREAS, on April 24, 2017, AltaGas, WGL, Washington Gas and other related entities filed
11 an application with the Commission seeking approval of the proposed merger of Washington
12 Gas and AltaGas, pursuant to Md. Code, Public Utilities Article, §6-105, Case No. 9449; and

13 WHEREAS, Prince George’s County submitted testimony and briefs and actively participated
14 before the Commission in Case No. 9449; and

15 WHEREAS, on December 1, 2017, Prince George’s County joined other signatories in executing
16 the Settlement Agreement; and

17 WHEREAS, the terms of the Settlement Agreement and merger represent a tremendous
18 opportunity for Maryland and for Washington Gas’s customers. The merger, enhanced by the
19 Settlement Agreement, provides Maryland with extensive economic development opportunities
20 and environmental benefits, while delivering superior protections for Washington Gas and real
21 tangible benefits for its customers; and

22 WHEREAS, together AltaGas and Washington Gas will be in an even stronger position to

1 deliver exceptional service at affordable rates, expand natural gas service across Maryland,
 2 invest more in community and workforce training programs, provide more clean energy choices
 3 to customers, and add good, secure jobs in Maryland; and

4 WHEREAS, there are significant benefits for customers and communities; namely,

- 5 • There will be no rate increases as a result of the combination; and
- 6 • A commitment of \$103 million to expand natural gas infrastructure in the State of
 7 Maryland to promote economic development and job creation, with \$70 million over 10
 8 years in the Washington Gas service area and \$33 million for the expansion of natural gas
 9 infrastructure to underserved parts of Maryland; and
- 10 • A commitment of \$28.4 million to Prince George’s County and Montgomery County for
 11 customer, energy efficiency, educational, and workforce development programs; and
- 12 • A commitment of \$21.7 million for a one-time rate credit for each Washington Gas
 13 residential customer in Maryland and \$4 million in merger related savings; and
- 14 • A commitment of \$4.6 million for Maryland Energy Administration programs to support
 15 commercial and industrial customers; and
- 16 • New renewable energy resources will be developed in Prince George’s County and
 17 Montgomery County; and
- 18 • The AltaGas power business head office will be relocated to Prince George’s County.

19 WHEREAS, there is a \$24.5 million commitment to support all Washington Gas service
 20 jurisdictions; namely,

- 21 • A commitment of \$12 million in charitable contributions over 10 years, a 20 percent
 22 increase; and
- 23 • A commitment to develop 5 MW Electric Grid Energy Storage or a Tier 1 renewable
 24 resource (estimated to cost approximately \$7.8 million); and
- 25 • A commitment of \$1.5 million of supplemental funding to the Washington Area Fuel
 26 Fund over the next five years to provide bill payment assistance; and
- 27 • A commitment of \$2.4 million over 5 years to add one Damage Prevention
 28 Trainer/Educator in Maryland, D.C., and Virginia and \$350,000 in incremental funding
 29 for damage prevention awareness across all three of the Washington Gas jurisdictions;
 30 and
- 31 • A commitment of \$450,000 for a renewable bio natural gas study.

1 WHEREAS, there is a continuing commitment to customers and employees; namely,

- 2 • Customers will experience a seamless transition and will continue to receive safe and
- 3 reliable service provided by the same complement of dedicated Washington Gas
- 4 employees; and
- 5 • Washington Gas facilities, including walk-in offices, will remain in their current
- 6 locations; and
- 7 • There is an aspirational goal to increase Washington Gas' supplier diversity
- 8 commitments over the next 10 years, from 25 to 35 percent; and
- 9 • No layoffs are planned as a part of the merger; and
- 10 • AltaGas intends to retain existing Washington Gas executives to continue overseeing
- 11 local operations and assist in managing AltaGas' U.S. regulated utility business; and
- 12 • Once merged, Washington Gas will be part of a larger \$17 billion energy infrastructure
- 13 company that will be more diverse and have significant, high-quality growth
- 14 opportunities in natural gas, clean power generation and utilities; and

15 WHEREAS, Washington Gas and AltaGas, together with other parties to Case No. 9449,
16 have agreed to the terms in the Settlement Agreement which they believe establish that the
17 merger is in the public interest; and

18 NOW, THEREFORE, BE IT RESOLVED by the County Council of Prince George's
19 County, Maryland, that the Council recommends that the Commission find that the merger is
20 consistent with the public interest, meets the convenience and necessity tests, including benefits
21 and no harm to consumers, and pursuant to Md. Code, Public Utilities Article, §6-105, should
22 grant the application, adopting the commitments delivered by the Settlement Agreement without
23 further modification.

24 BE IT FURTHER RESOLVED that the Council encourages all parties to the Settlement
25 Agreement to fully support the merger and the Settlement Agreement so that the benefits of the
26 merger may be realized as set forth in the Settlement Agreement.

Adopted this 27th day of February, 2018.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Dannielle M. Glaros
Chair

ATTEST:

Redis C. Floyd
Clerk of the Council