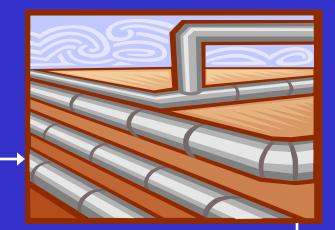
Natural Gas

Physical Flow of Natural Gas before Deregulation[Producers][4 Pipelines]

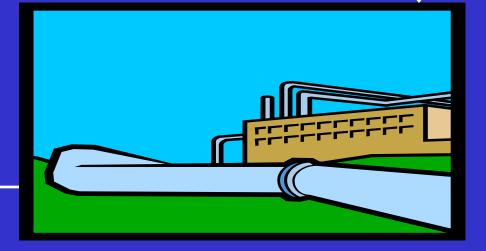




[Washington Gas]

[Homes & Businesses]





More Market Participants Involved in Financial Transactions

[Producers]

[Commodity]

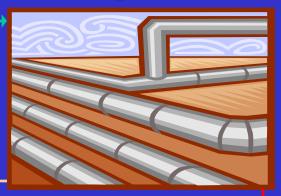
[4 Pipelines]



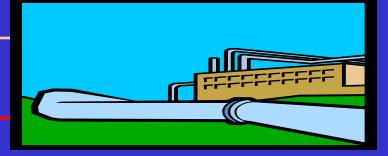
(Well Head Prices)







[Washington Gas]





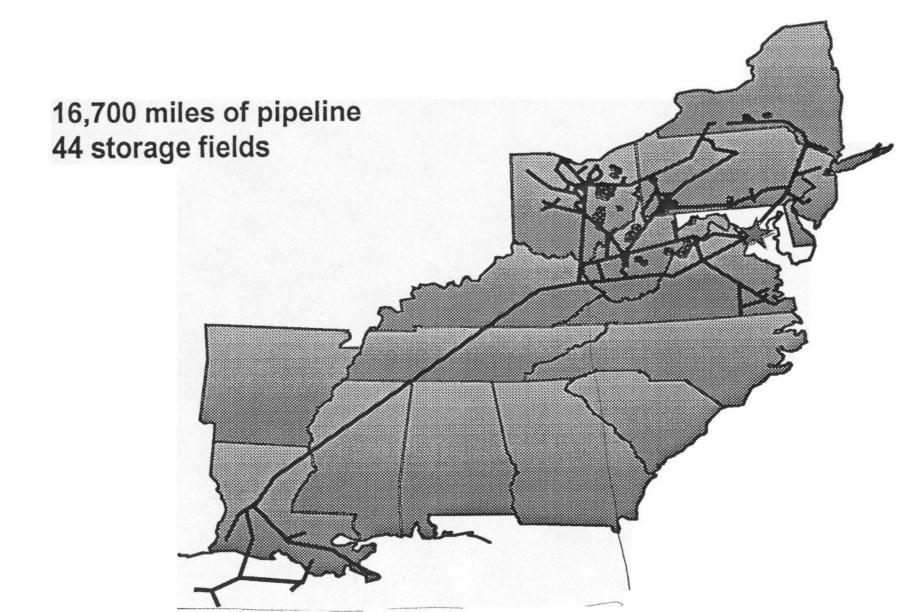


- Storage Natural Gas (Purchased between April and October)
- Long-term Contracts (Executed in early 1990s; guarantees supplies, but not prices)
- Monthly Contracts
- Daily Contracts (Natural Gas purchased the day before)
- Spot Market Prices (Natural Gas purchased on the same day)

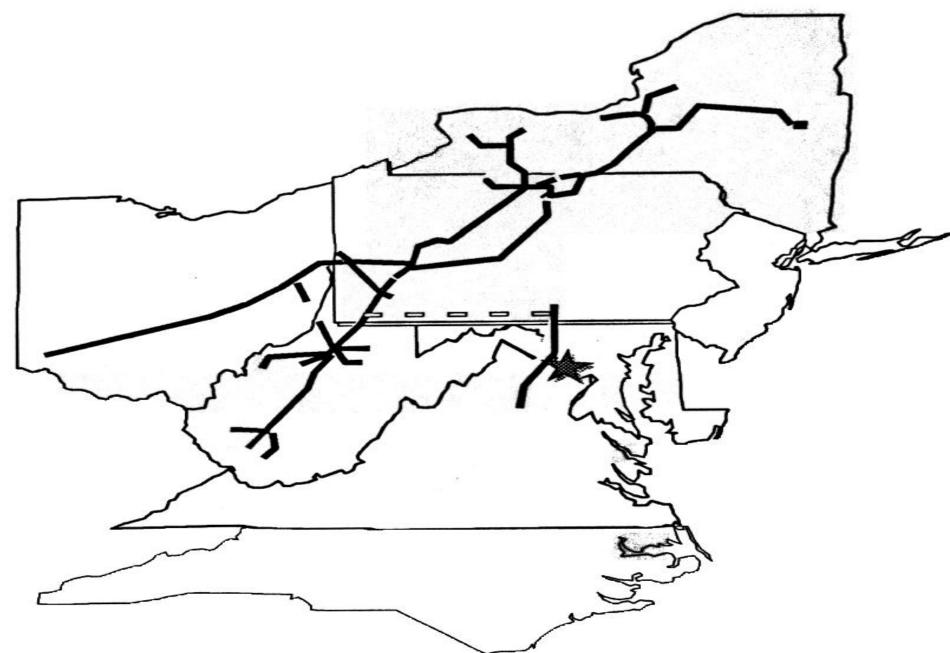
Four (4) Pipelines Supply District Consumers with Natural Gas

Columbia Transmission and Gulf
Dominion Transmission
Williams Transco Pipeline
Dominion Cove Point Pipeline

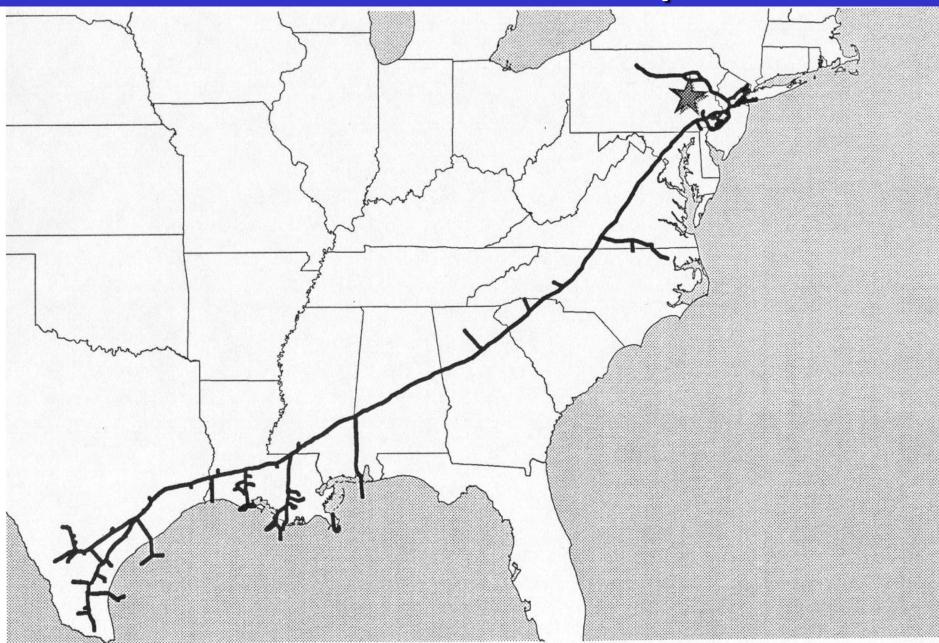
Columbia Transmission and Gulf



Dominion Transmission



Williams Transco Pipeline





Commodity Natural Gas Competition



There are four (4) Customer Choice programs, covering all residential and commercial customers. The residential program was made permanent in February, 2001. On January 30, 2002, the small commercial program was made permanent. The other two programs are for interruptible customers, established in 1988, and large commercial customers, established in 1998.

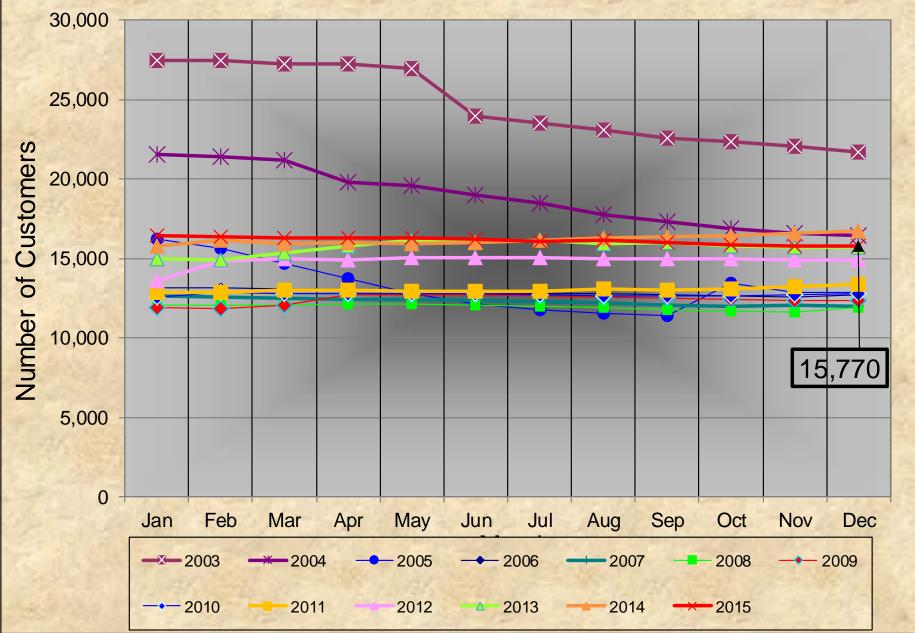




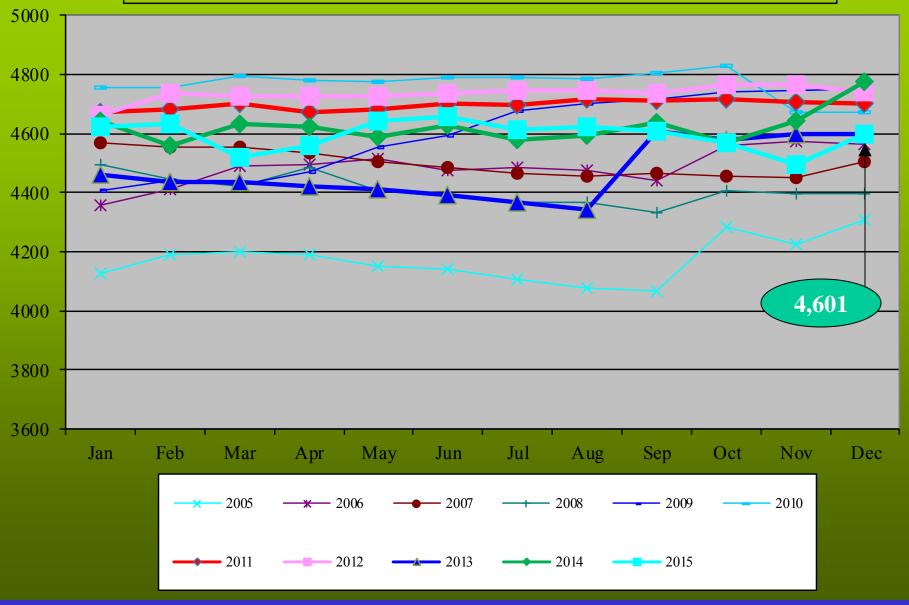
<u>Current Status of Natural Gas</u> <u>Commodity Competition</u>

As of December 1, 2015, there are nine (9) alternative natural gas commodity suppliers serving 15,770 participants in the residential program and accounting for 11% of all residential natural gas customers. There are thirteen (13) alternative natural gas commodity suppliers serving 4,601 commercial participants or 37% of all commercial accounts.

Residential Customers Choosing Alternative Natural Gas Suppliers



Commercial Customers Choosing Alternative Natural Gas Supplier



Current Natural Gas Bill Format

ACCOUNT INFORMATION

Service Address:				Gas Use		Reading	Date	Method		
Mailed 05/17/12			2	1.2.962	Current Reading		8242	05/14/12	READ BY CO.	
Account Number				Previous Reading		- 8200	04/13/12	READ BY CO.		
Meter ID	No.					CCF of Gas Used		42	o la foi fiz	112100100.
Rate Cla	ass		RESIDE	VTIAL H	HEAT/COOL	Unmetered Gas Lig	oht (CCF			
Level			1			Total CCF of Gas I	-	42		
Next Meter Reading Date 06/13/12					Conversion Factor		x 1.012			
Days in This Billing period 31			31			Total Therms (TH)		42.5		
13-MON Mo/Yr	ITH ENER Temp		E HISTORY Days		GAS USAG	E DETAIL		CHARGES		
04/12	57	50	29		TOTAL THERM	S USED	42.5	PREVIOUS BI	LL AMOUNT	63.42
03/12	47	92	30		DISTRIBUTIO	N SERVICE		PAYMENTS RE	CETVED	63.42
02/12	39	156	32		DISTRIBUTION CHARGE 42.5 TH 0 \$.3214 13.66				05.42	
01/12	41	135	31				CHARGES THI	S PERIOD	100000000	
12/11	47	100	33				GAS USAGE		50.40	
11/11	55	63	30				7.95	TOTAL THIS	PERIOD	50.40
10/11	62	26	29		DC RIGHTS-		1.33			
09/11	65	9	32			SUPPLY SERVICE		TOTAL DUE		\$ 50.40
08/11	65	8	29		PGC @ \$.55		23.60			
07/11	65	10	29		SUSTAINABL	E ENERGY TRUST FUNC	0.60			
06/11	65	26	33		ENERGY ASS	ISTANCE TRUST FUND	0.26	PAYMENT MUST	E PAYMENI	CHARGES, FULL ED BY 06/05/12
05/11	61	33	29		STATE & LOC	AL	0.000		DE REVEI	CD D1 00100112
04/11	50	72	29		DELIVERY T	AX @ .070700	3.00			
		Total T	н	780						
					TOTAL GAS C	HARGES \$	50.40			

PAYMENTS NOT RECEIVED BY THE DUE DATE SUBJECT THE ACCOUNT TO A SECURITY DEPOSIT WHERE PERMITTED BY REGULATION. THE BUDGET PLAN CAN HELP YOU MANAGE NATURAL GAS COSTS. CALL THE AUTOMATED LINE AT 703-750-7944 TO ENROLL TODAY. PREVENT DAMAGE TO UNDERGROUND PIPELINES. CALL 811 BEFORE YOU DIG. IT'S THE LAW.

30649-P-002



Residential Natural Gas Prices Two (2) Components

- Distribution Charge Set by the DCPSC in a rate case. Everyone pays this charge since there is only one distribution company, Washington Gas.
- Commodity Charge Price of the natural gas commodity itself. You can choose whether you want to purchase the commodity from either Washington Gas or other natural gas commodity suppliers. The commodity charge on Washington Gas' bill is called the Purchased Gas Charge.



Purchased Gas Charge



- Washington Gas' commodity charge is called the Purchased Gas Charge (PGC).
- The PGC is based on wholesale market prices which are under the Federal Energy Regulatory Commission's (FERC) jurisdiction.
- The DCPSC audits these costs.
- Washington Gas does not earn a profit on the PGC.

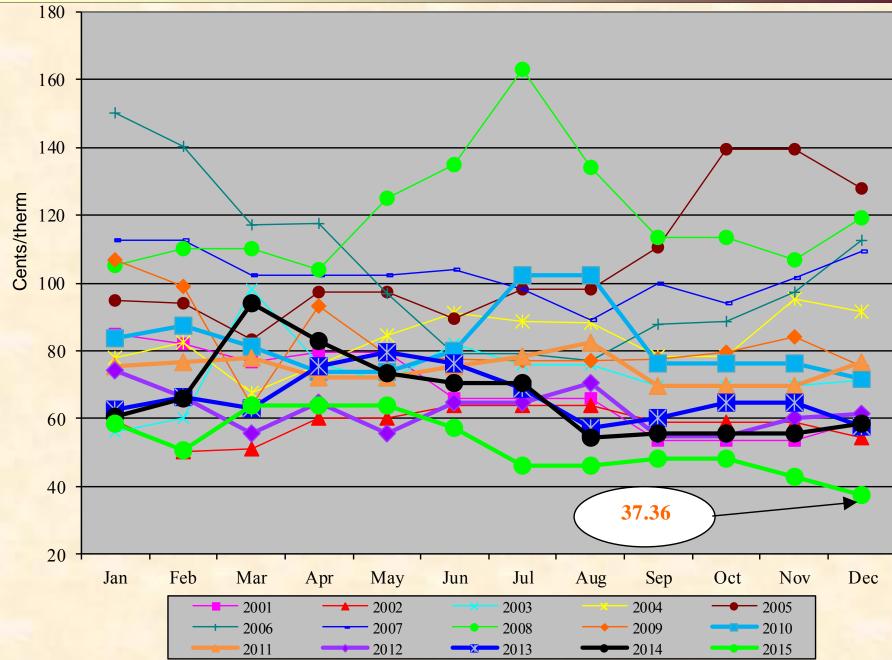
Composition of December 2015 Purchased Gas Charge – PGC

Commodity Costs	25.23 cents per therm
Demand ¹	15.64 cents per therm
Others ²	-3.51 cents per therm
Total Costs – PGC	37.36 cents per therm

¹-Demand includes firm transportation, storage, and peak shaving.

²-Others include items such as carrying charges, GAC, ACA, refunds, and credits.

Trends in PGC Jan 2001 – Dec 2015



What Can Consumers Do to Lessen the Impact of High Natural Gas Prices?

- Ensure your homes are energy efficient.
- Consider implementing energy conservation measures.
- Consider joining WGL's budget plan, which allows you to spread the costs over a longer period. Ultimately, a true-up will be rendered.
- Monitor the natural gas commodity prices on your bills because you can choose your natural gas commodity supplier. Check the Commission's website or contact the Commission's Consumer Services Office for more information.





How to Choose a Natural Gas Commodity Supplier



Selecting a Natural Gas Commodity Supplier

- Look at the outlook for wholesale natural gas prices
- Determine who are the suppliers and their prices and other terms
- Determine how much you would pay and save with each of the suppliers
- Look at the price history of the suppliers
- Look at whether current customers under contract have been saving money
- Look at market shares







- What is your price?
- Does this price include a "Balancing Charge"?

If not, how much is the balancing charge?
If "Variable", what is it based on?

> If "**Fixed**", for how long?

- Do I have to sign a contract?
- Is there a penalty for switching before the end of the contract? If yes, how much is the fee?
- Is there a minimum charge?
- How will I be billed? (Separately or on WGL bill)







What is the Balancing Charge?

- The cost to match the amount of natural gas supplied by Washington Gas with the amount of natural gas actually consumed by customers.
- Washington Gas performs the balancing function on a daily basis.
- The current charge is **1.29** cents per therm.



Current Natural Gas Commodity Prices for

Residential Customers (as of December 7, 2015)



21001001000		
Company	Price (Without Balancing Charge)	Price (With Balancing Charge)
Ambit Energy	NA cents/therm for 1 year	NA cents per therm for 1 year
1 (877) 282-6248	No minimum monthly charge	No minimum monthly charge
ww2.ambitenergy.com		
Constellation Energy	56.90 cents/therm for 1 year	58.19 cents per therm for 1 year
1 (866) 938-2140	No minimum monthly charge	No minimum monthly charge
home2.constellation.com		
Deca Energy	53.00 cents/therm for 1 year	54.29 cents per therm for 1 year
(202) 670-5558	No minimum monthly charge	No minimum monthly charge
www.decaenergy.com		
Washington Gas Energy	53.00 cents/therm for 1 year	54.29 cents per therm for 1 year
Services	No minimum monthly charge	No minimum monthly charge
1 (888) 236-9437		
www.wges.com		

Current Natural Gas Commodity Prices for New Residential Customers (as of December 7, 2015)

Company	Price (Without	Price (With Balancing	
	Balancing Charge)	Charge)	
NOVEC Energy Solutions 1 (888)-627-7283 Go to link of	54.90 cents per therm No minimum monthly charge	56.19 cents per therm -No minimum monthly charge	
www.novec.com	Price quote is for service which begins in following month	Price quote is for service which begins in following month	
Viridian Energy 1 (866) 663-2508 <u>www.decaenergy.com</u>	51.99 cents/therm for 1 year No minimum monthly charge	53.28 cents per therm for 1 year No minimum monthly charge	
12 month projection based on NYMEX index	38.35 cents per therm	39.64 cents per therm	
Washington Gas – Purchased Natural Gas Charge (PGC)	36.07 cents per therm <i>Prices vary each month.</i>	37.36 cents per therm <i>Prices vary each month.</i>	

How To Calculate Natural Gas Savings

District of Columbia Instructions:

- 1. Enter the natural gas supplier's name. This is required in order to view the results. You are allowed to enter information for up to four different suppliers. <u>Click here for a list of participating natural gas suppliers.</u>
- 2. Enter the total natural gas price offering form each supplier. For example, if the price is 65 cents per therm, enter \$0.65.
- 3. If the rate quote from the supplier does not include the balancing charge, add \$0.0192 to the quoted price.
- 4. Enter you total natural gas usage (therms) for the past 12 months. If you do not have this number please contact <u>Washington Gas</u> at (703) 750-1000.
- 5. The average usage (therms) for residential customers in the District of Columbia is approximately 1000 therms. Once you have completed these steps for each supplier, click the *Calculate Savings* button.

	Supplier Name	Supplier Total Natural Gas Price Offering	Supplier Monthly Fees
Supplier 1	Gateway Energy Services Corp.	0.978	0
Supplier 2	NOVEC	1.232	0
Supplier 3	WGES	1.112	0
Supplier 4			

Calculate SavingsClearEnter your usage (therms) for the previous 12 months:1000therms

Natural Gas Savings

Based on the following information that you supplied, the following results were produced: Annual Natural Gas Usage: 1000 therms

Supplier Name	Total Annual Natural Gas Cost	Annual Natural Gas Cost Savings
Washington Gas	\$1,030.00	-
Gateway Energy Services Corp.	\$977.500	\$52.50
NOVEC	\$1,232.200	(\$202.20)
WGES	\$1112.200	(\$82.20)

If the Annual Natural Gas Cost Savings is positive, the number represents the amount that you potentially save if you purchased your natural gas from the Marketer instead of purchasing it from Washington Gas.

If the Annual Natural Gas Cost Savings is negative (), the number represents the additional amount that you would potentially pay if you purchased your natural gas from the marketer Instead of purchasing it from Washington Gas.

CHANGING NATURAL GAS PRICES

- WGL's PGC of **37.36** cents per therm in December 2015 is down 13% from the previous month.
- WGL's December 2015 PGC is down 36% compared to the PGC rate for December 2014.
- WGES' commodity charge of **54.29** cents per therm in December 2015 is down 2% from the rate for November 2015.

WHY ARE NATURAL GAS PRICES CHANGING?

- WGL has to pay different prices for natural gas that it procures during the year.
- Wholesale natural gas prices, however, are lower than last year due, in part, to:

improvement in storage build.

WHAT IS EXPECTED BILL IMPACT OF CHANGES IN NATURAL GAS PRICES?

- On average, each therm will cost \$0.99 in December 2015 compared to \$1.16 in December 2014.
- This means, on average, the WGL gas heating residential bill is likely to be about \$107 in December 2015, down 14% compared to the same period a year ago.

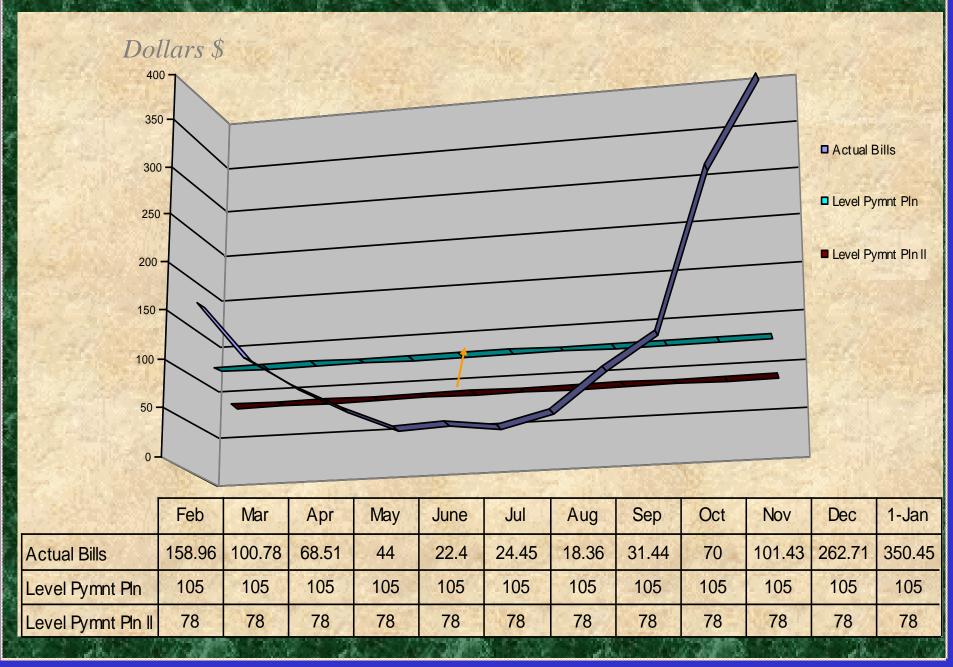
WHAT CAN CONSUMERS DO?

- Check prices of other suppliers.
- Consider joining WGL's budget plan.
- Implement energy efficiency measures.



- Make and keep payment arrangements with Washington Gas.
- Consider joining Washington Gas' Level Payment Plan (spread costs over 12 months).
- Find ways to conserve energy.
- Contact Washington Gas, the Office of Consumer Services in the Public Service Commission, the Office of the People's Counsel, the District Department of the Environment's Energy Office or other agencies (e.g. LIHEAP, Washington Area Fuel Fund, etc.) for assistance.

WASHINGTON GAS LIGHT LEVEL PAYMENT PLAN (February 2000 through January 2001)



Additional Energy Efficient Ideas





Watch Your Thermostat

• Set your thermostat at a comfortable setting between 65 and 70 degrees during the day and slightly lower at night

When you're away from home for more than a few hours, set your thermostat at 58 degrees.

• Warmer temperatures are recommended for homes with ill or elderly persons or infants.

Long-Term Tips

Schedule a furnace check-up. Regular maintenance performed by a qualified professional can help ensure the safe, reliable, and efficient operation of your heating system.

• Consider purchasing a new, high-efficiency furnace or water heater. If your furnace or water heater is nearing the end of its normal life span or has experienced problems in the past, a new high-efficiency unit can save you as much as 20% on your heating bills.

Consider purchasing a programmable thermostat. A programmable thermostat automatically reduces temperature settings without sacrificing comfort.

Day-to-Day Conservation Tips



- Change or clean your furnace filter once a month using you natural gas bill as a reminder.
- Seal leaks around doors, windows, and other openings as pipes or air ducts, with caulking or weather-strippin
- Replace broken or cracked glass and consider installing storm windows
- Dress warmly in the home.
- Close vents and doors in unused rooms and close dampers in unused fireplaces.
- Run you washer and dryer with full loads.
- Never use natural gas stoves/ovens for heating purposes. Continuous burning can lead to Carbon Monoxide hazard

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

1325 G STREET, NW WASHINGTON, DC 20005 (202) 626-5100

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www.dcpsc.org

THANK YOU!

※単単語工業だ当日 実施が単数目的である。